



A Different Take on Enhancing Voice at the International Financial Institutions

**A Working Paper by Karen Joyner
for the Social Justice Committee**

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Executive Summary

Over the last two years, renewed attention has been given to the need for more participation by developing and transition countries in the decision-making of the World Bank and International Monetary Fund. The Monterrey Consensus of the Financing for Development Summit in Mexico in March 2002 gave this important issue new meaning by linking it to the ability to reach the Millennium Development Goals. Framed in this light, the donor community became more interested in the need for democratizing the International Financial Institutions.

Since then, the staffs of the World Bank and IMF have prepared various papers for the consideration of the Development Committee of the World Bank and IMF's Boards of Governors. Some progress has been made and some future options have been identified, but there is much to be done. This paper seeks to contribute to this dialogue by proposing pragmatic ways in which governments and people in the South can better participate in operation and governance of the World Bank and IMF.

The concept of "voice" for poorer countries in governance at the international financial institutions can be viewed in a number of ways. Some define it in terms of voting power on the Executive Boards, while others see it more in terms of other aspects of influence – where countries with effective Executive Directors on the Boards can pitch well above their actual voting weight. Voice more broadly might be rated as the level of country ownership of economic reform programs.

However defined, it is widely accepted that poor country voice is not heard enough in the governance or operations of the World Bank and IMF and should be stronger.

Change to the voting structure at the institutions will take significant consensus building and political will. We seem to have reached an impasse at promoting such radical change, and the suggestion by Mr. Trevor Manuel in March that an Eminent Persons' Group take leadership has still not been acted upon. We support his call, and in this paper suggest options the Group should consider and encourage civil society involvement in its work.

Various measures have been and are being taken to address voice deficits. More staffs have been allocated to the least capacitated Executive Directors' offices; an Analytical Trust Fund has been established to fund alternative research and analysis for the sub-Saharan African Executive Directors; and much preparatory work has been completed to consider options for voting structure revisions and adjustments, particularly at the World Bank.

Voice at the Bretton Woods Institutions that is of most concern to the Social Justice Committee is that of citizens, especially in countries where the World Bank and IMF are most active and influential. We make various recommendations to address voice deficits, focusing on the need for enhanced transparency and inclusion. Transparency at the Boards could be improved in a number of ways, including the provision of more detailed agendas, earlier disclosure of papers presented to the Boards, and more information regarding of discussion at the Boards.

We also explore ways in which the voice of citizens and their governments could be enhanced before decisions reach the Board level. World Bank and IMF missions conducting their business in-country should be more transparent and inclusive, with civil society involvement in determining the need for and implementation of impact assessments. Poor country voice at the Boards would be benefited immensely by improved voice in program design.

The paper then focuses on the Executive Directors' offices, and makes recommendations based on some fifty interviews with staffs of six Executive Directors' offices at both the IMF and World Bank,

as well as central staff. Common themes concerning voice emerged from these meetings, such as the need for more capacity for the sub-Saharan African Executive Directors' offices, more open and productive communication between Executive Directors' offices generally, better recruitment and induction, and language training. The result is a number of practical recommendations to address these concerns, such as Executive Directors' offices sharing weekly agendas to improve communication, and for the institutions to provide improved central personnel, training and language support.

In our discussions with Executive Directors' office staffs, it became apparent that more interesting thinking on the voice issue might emerge from workshops dedicated to the issues. While some time at such an event should surely be spent on the important issues of voting and other structural issues, a significant amount of the time should also be spent discussing how voice might be improved at the Boards in more subtle ways that could strengthen poor country and civil society voice in immediately achievable ways. While we have been able to identify a number of ideas for enhancing poor country voice at the Boards, such workshops, followed by a joint World Bank and IMF workshop, would certainly reveal more recommendations. Such workshops would also be a useful entry point for the Eminent Persons' Group – or similar body.

The paper concludes by identifying a series of next steps to be taken at the institutions and by their political leadership. Some work is currently being conducted or is planned at the both the World Bank and the IMF. This work includes the finalization of a learning program for Executive Directors' office staffs, the operationalization of the Analytical Trust Fund, and further work on voting issues. We propose that additional work be added to this portfolio, focused on enhancing ownership, transparency and inclusion as an explicit part of the voice agenda, with participation by civil society.

We also lay out what we plan to do in the coming year as our further contributions to the voice dialogue. The Social Justice Committee plans to conduct focused work on the dynamics of our own Executive Directors' offices, contribute to the evolution of Poverty and Social Impact Analysis as an empowering tool for civil society and, in general, work on addressing ownership and transparency issues in country programming at the International Financial Institutions.

Finally, we restate our recommendations, most of which are immediate steps that can be taken to address voice deficits. We hope to work with our Executive Directors' offices in considering how we might move forward on at least some of these.

1.0 Introduction

In March 2002, the Monterrey Consensus of the Finance for Development Summit called on the World Bank and IMF to improve the participation of developing and transition countries in decision-making at the International Financial Institutions.¹ The consensus was that enhanced participation would “strengthen the international dialogue and the work of those institutions as they address the development needs and concerns of these countries.”²

This was not a new call upon the IFIs, but rather a renewed one. The need for enhanced Voice for poorer countries at the IFIs was now placed within the context of achieving the Millennium Development Goals (MDGs), giving it far more poignancy for the donor community.

It took some time for the governors of the IFIs to respond to this consensus.³ The first step was taken by the Development Committee of the World Bank and IMF Boards at their Annual Meetings in September, 2002. The Committee acknowledged the importance of the Monterrey mandate and requested the institutions’ staffs to prepare a background document to facilitate a discussion of the issues at the Spring Meetings in April 2003.

This motivated Bank and Fund staff to prepare a technical note for the Committee laying out various options for enhancing voice of developing countries at the IFIs.⁴ The resulting paper covered the issue of voting strength and quotas, increasing the number of seats at the Boards, and reconfiguring the mix of seats at the Boards.⁵ It did not cover the issue of transparency but did address, in part, some operational issues. The Boards approved, as an immediate measure, funds for additional staff in the sub-Saharan African Executive Directors’ (EDs’) offices to address their immediate capacity constraints.

At the Spring Meetings in April 2003, the Development Committee considered the paper, and appreciated the hiring of new staff, but asked staff and donors to go further. In particular, the Committee highlighted the idea of a financing mechanism to support independent analytical research and policy advice for developing countries and the need to look more closely at the Fund quota system.⁶ The Committee requested a progress report for their next meeting.

At the September 2003 Annual Meetings of the World Bank and IMF, the Development Committee commented in its Communiqué that over the course of the previous six months the IFIs had considered “innovative and pragmatic ways to enhance the voice and effective participation of developing and transition countries in the work and decision making of the Bank and the Fund.”⁷ It welcomed a proposal for an Analytical Trust Fund for the sub-Saharan African EDs’ offices, encouraged continued developments in transparency, Bank decentralization, staff diversification and the use of secondments, and called for more concrete progress by its next meeting.

In April 2004, the Development Committee congratulated staff for the progress made to date,

1 From now also referred to as the Bank and the Fund, the IFIs or simply the institutions.

2 “Monterrey Consensus” March 2002. The Consensus referred to “participation.” The phrase “voice and participation” has been used since then. We use the term “Voice” inclusively, to mean voice and participation.

3 While the Development Committee’s April 2002 Communiqué highlighted several issues discussed at Monterrey, “voice” was not one of them.

4 World Bank and IMF, “Voice and Participation of Developing Countries in Decision-Making at the World Bank and IMF,” 5 February 2003.

5 We will refer to the “Executive Boards” of the Fund and Bank as the “Board(s).”

6 Development Committee Communiqué, 13 April 2003.

7 Development Committee Communiqué, 22 September 2003.

especially on capacity-building for EDs' offices with voice deficits. Capacity-building continues to be central to the discussion of Voice, as the focus on capacity in this paper reflects. The Development Committee treatment of the voice issue was, however, quite brief.

The staff progress report on Voice most recently considered by the Bank board is quite comprehensive. It treats issues that have received less pointed attention in the Voice dialogue, such as ownership and voice of the poor. It unpacks very clearly steps that can and are being taken to move forward on voting issues. It does not, however, suggest pragmatic ways forward on other important issues, such as ownership, specifically linked to the Voice dialogue. It also does not treat the need for yet further enhanced transparency at the Boards, and within the institutions more broadly, as a means of addressing the voice issue.

Meanwhile, some non-governmental organizations (NGOs) have weighed in strongly.⁸ A paper by at least one coalition of NGOs addresses the toughest battle head on – changes to the voting structures. It makes solid arguments for reforming the voting structures of the IFIs, as well as making other governance reforms, such as improved selection of the President of the Bank and the Managing Director of the Fund.

Academics and others have also made useful contributions to the discussion of improving governance of the IFIs. For example, the University of Victoria published a compilation of essays on accountability at the Fund, and the Group of 24 published a compilation of essays addressing the voice of developing countries at the IFIs.⁹

With this paper, we would like to make our first comments and contribution to this evolving dialogue. While we will cover some familiar ground, we also hope to generate some new, pragmatic thinking on how to enhance the voice of poor countries and civil society at the IFIs.

We make recommendations throughout the paper. They have almost entirely come as the result of interviews with people engaged in some way with day-to-day decision-making at the institutions, or have evolved as part of these dialogues. In some ways, our making these recommendations gives some voice to those not heard well in the debate so far. These recommendations will also serve as a basis for our further work.

Finally, we identify the voice of citizens in the work of the IFIs as being the most essential element of the Voice issue. As a beginning, in this paper we focus on improving the voice of less enfranchised EDs' offices. There are some simple measures that can be taken more or less immediately to begin to address the problem of voice deficits at the IFIs. These may not require more than a little political consensus building.

The effort to build the voice of citizens worldwide will, of course, continue for some time to come. The Social Justice Committee plans to continue to add to this dynamic of enhanced civil society voice at the IFIs in the coming months, in part by exploring in detail the dynamics of our own (Canadian) EDs' offices.

8 See Aldo Caliarì and Frank Schroeder "Reform Proposals for the Governance Structures of the International Financial Institutions," 2003. Other papers can be found at <http://www.new-rules.org/globalgovernance.htm>.

9 Barry Carin and Angela Wood eds, *Enhancing Accountability in the International Monetary Fund*, April 2004. Ariel Buira, ed. *Challenges to the World Bank and IMF: Developing Country Perspectives*, 2003. Find more information at <http://www.unctad.org/Templates/Page.asp?intItemID=2103&lang=1>.

2.0 Defining Voice and Identifying and Addressing Deficits

2.1 Defining Voice

Defining Voice at the institutions was a subject of much discussion in meetings with EDs' office staffs as this paper was being prepared. At the early stages on this dialogue, Voice was considered in terms of participative power at the Boards of the institutions. The discussion has since broadened to consider issues of capacity-building in capitals, staff diversification at the IFIs and the need for analytical capacity to carry out work on issues that might not reflect the "Washington consensus." While this broadening conceptualization of Voice is welcome, one can not help but wonder if this might be a reaction to the fact that change in voting structures will be a harrowing battle.

There is a general consensus that the views of an important group of countries are not adequately represented the Boards of the two institutions. From a purely democratic viewpoint, the current governance structure of the IFI Boards is unacceptable, even though some will point out that the IFIs are financial institutions, and that their governance is determined in terms of financial contributions or pledges, not according to political or social criteria.

For developing countries, the influence of the institutions in their countries is such that their participation in IFI governance is of paramount importance. The agenda and decisions of the institutions are more significant to the future and wellbeing of their citizens, far more than for those with the most power at the Boards. Recognition of this imbalance needs to be made by improving their Voice in governing these institutions.

The institutions are not only financial institutions, they *are* also political ones. Their governing structure does not have to be limited to a financial shareholder design.

2.1.1 Voting Structure at the Boards

Here we have the paradox. The governance structure at the Boards that has evolved is slanted to represent economically powerful countries that constitute what the World Bank classifies as "Part 1" countries.¹⁰ The countries that have EDs' offices representing only their own country at the Fund - France, Germany, Japan, the United Kingdom, the United States, China, the Russian Federation and Saudi Arabia - hold only eight of the twenty-four seats but retain 48.15% of the voting power (39.22% for the top five). The remaining sixteen seats represent 176 member countries, and hold 51.85% of the voting power. The two sub-Saharan African EDs' offices hold one seat each at the Fund Board and 4.43% of the votes.¹¹ This structure in no way reflects the significance of IFI policies to borrowing countries. Nor does it reflect the significance of borrowing countries to the survival of the IFIs.

¹⁰ Part I countries are those that make their contributions to International Development Association (IDA) in US Dollars. Some Part II countries may make contributions to IDA, but not exclusively in US Dollars, but also in local currencies. Part II countries are primarily seen as borrowers. Countries are often referred to by IFI EDs' office staffs at the Bank and the Fund (even though the concept of Part I/Part II is not used at the Fund) as Part I or Part II countries, so it seems that being one or the other is considered quite significant in their work.

¹¹ Comparing these figures to the IDA Board: 47.44% for the eight (41.66% of which to France, Germany, Japan, the UK and the US); 52.54% for the sixteen seats representing the remaining 156 members; and 6.97% for the sub-Saharan African EDs' offices. All figures from the World Bank and IMF websites.

Looking at the governance of the IFIs in this way, there is a good case for change. The original crafters of the Bretton Woods Institutions designed the basic voting formula based on a Board composition that reflected the power structure of the world at the time. A lot has changed since then, and the call to update these formulae is reasonable. Poor countries should get a bigger share even if voting arrangements were based on the original, biased formulas but were updated.¹²

There are two voting structures schemes at the World Bank – one for the International Development Association (IDA), the concessional lending arm of the Bank, and one for the International Bank for Reconstruction and Development (IBRD). Both voting structures have a membership component. Also, at IDA there are subscription allocations. Subscription amounts are determined according to a formula that considers the cumulative share of Part I country resources in IDA, the comparative voting power of Part I and Part II, and the positions of individual countries. There are allocated subscriptions that have not been taken up by countries with identified Voice deficits. There is a cost associated with taking up these subscriptions. If they were taken up, there would be a modest improvement in the voting power of these countries. In addition to membership votes, IBRD voting power is determined by capital shares. While changes to IDA's voting structure can be made unilaterally by the Bank, any revision of IBRD voting structure would need to be undertaken in parallel with a revision of the quota system, since the IBRD capital share system and the Fund's quota system are integrally linked.¹³

The Fund's voting structure is based on quotas derived via a complicated formula admittedly lacking in transparency, and basic votes. The Fund's Board of Governors conducts regular general quota reviews, usually every five years. In January 1999, Fund quotas were adjusted as a result of the review that concluded in 1998. The last quota review, concluded in 2003, did not result in any adjustment. Any change in Fund quotas requires an 85% majority vote of the Board.

Many advocate for a radical shift in voting allocation. Although this is a worthy effort, it would require an 85% majority vote at both Boards. With the US holding 14-16% in the Bank and 17.14% at the Fund, there is little chance of this happening anytime soon.¹⁴ The US has made its position clear: it will not consider a change in voting structure that compromises its veto power, and it will not accept any further additions to the number of seats at either Board.

2.1.2 Effective Voices at the Boards

Voice at the Boards is determined by more than voting percentages. Something can and should be done about the voting structure of the IFIs, but it is hard to imagine that voting structure could be changed sufficiently to give poor countries the Voice they deserve, and commensurate with the significance of the institutions in their futures.

EDs' office staffs interviewed see more potential in enhancing Voice in the short to medium term by either increasing the number of seats at the Boards by one, possibly two, or by recomposing the constituencies of the EDs' offices. Actual voting does not run the day-to-day business of the IFI

12 See Caliri and Schroeder for an in depth discussion of the history of basic votes.

13 Various papers go into great detail on the voting issues. See, World Bank and IMF, "Voice and Participation of Developing Countries in Decision-Making at the World Bank and IMF," 5 February 2003 and World Bank, "Enhancing Voice and Participation of Developing and Transition Countries: Progress Report by the World Bank," 15 August 2003.

14 The US holds 14.31% of the voting power at IDA and 16.39% at IBRD.

Boards so much as consensus building. And consensus building is largely achieved by influential or charismatic individuals. Some seats have a large share of the voting – the US with 17.14% at the Fund for example - while other seats have far less – the constituency that Canada leads has 3.72% and the Francophone sub-Saharan African constituency has 1.42%. Even so, each office has a seat, and the seat itself has significance. Making the best possible use of that seat is essential for articulating Voice at the Boards.

2.1.3 Chairs of the Boards

The IMF's Managing Director and the Bank's President Chair the Executive Boards. Both of these positions are extremely influential in determining the overall direction in which the institutions move. These two positions are also influential in setting out the dialogue of the Boards, although the Fund Board Chair far more than that of the Bank (see below).

The accepted rule is that the position of President of the Bank is reserved for the US, while the Managing Director of the Fund is a European appointment. NGOs have been critical of this fact and the lack of transparency in appointment procedures. The need to appoint a new Managing Director for the Fund, following Kohler's sudden departure on March 4th 2004, provided the Fund and its Board an ideal opportunity to address some of these concerns. Unfortunately, this opportunity was squandered as the political leadership of the Fund failed to take on its own recommendations for improving the selection and appointment procedure.

2.1.4 Voice of Poorer Countries within the Institutions

On the other side of Voice should be listening. One message we heard loud and clear was that Voice may be articulated, but it is not always heard. One central reason is that the institutions are dominated by certain ways of perceiving the world and development, and other voices simply may not be heard.

There is also a feeling that the Board has become divided between creditors and debtors, borrowers and lenders, Part I and Part II countries. More than a few EDs' office staffs interviewed felt that Voices at the Board were heard (or not) in this context. Board members listen more to some than others.

There were also examples of where Voice from a poor country constituency at the Board was heard far more than the ED's office's voting share would suggest. This was the exception, not the norm. One cannot hope to redress the imbalances at the Boards by depending on the eloquence of a few.

Of course, it is not only sub-Saharan African countries that need more Voice at the Boards of the IFIs and beyond. While it is beyond the scope of this paper to consider in detail the Voice deficit in all low- and middle-income countries, we hope our findings and recommendations will be applied more broadly.¹⁵

The lack of poor country Voice at the institutions is also demonstrated in the composition of the staffs and especially senior managements of the institutions.

¹⁵ It also seems that the Voice deficit is significantly greater for sub-Saharan African countries. For example, we spent considerable time with staffs of the Canadian EDs' offices who come from Part II countries, and the conversation always led back to the needs of the sub-Saharan African offices.

2.1.5 Purpose of Enhanced Voice

EDs' offices with Voice deficits have specific goals in this dialogue. At the Fund EDs' offices, the issue of enhanced Voice is quite discrete. Staffs there want to see better programs agreed for their countries. Enhanced Voice is seen as a possible way to encourage the design of Fund programs that are less likely to go off track. EDs' office staffs find themselves in the awkward position of sitting by and supporting arrangements signed by their governments that they know are not realistic (as do the signatory governments). But as the governments signed the agreements, in need of the sign of approval of the Fund to trigger other financial flows, the EDs' offices too have to pretend ownership. Meanwhile, only the other EDs' offices can question the strength of the programs.

At the Bank EDs' offices it appears that they want to achieve two primary goals with enhanced Voice. They too want to be in a position to promote better designed policies for their countries. At the same time, a role of these offices is to attract lending for their constituencies – so enhanced Voice could contribute to these endeavors.¹⁶

Beyond these goals, though, is the desire to correct the gross imbalances at the Boards. The influence of the most influential countries is simply perceived as being too great. Staffs of the sub-Saharan African EDs' offices felt it was essential to increase their Voice, and that of other offices with Voice deficits, to provide the dynamic needed for more balanced discussions to take place at the Boards, reflective of the multitude of views held by country members.

2.1.6 Voice of Citizens

The Voice of citizens in IFI policy-making is, of course, of primary importance. This is more clearly lacking than any other form of Voice. While we consider the Voice of all citizens useful in contributing to the policy dialogue, the most essential is that of citizens in countries where IFI policy making is most significant. This approach to Voice has received the least attention in this debate. This is at the core of the work of the Social Justice Committee and other civil society organizations, and we begin to address this issue specifically linked to the current Voice debate in the following section.

2.2 Measures Addressing Voice Deficits

The Bank Board's Committee on Governance and Executive Directors' Administrative Matters (COGAM) was assigned the task of investigating ways to enhance participation of developing and transition countries at the IFIs, and a Task Force was established to consider various options. The Task Force no longer exists, and there seems to be a general feeling that COGAM has done what it can on the issues. COGAM's work has resulted in a number of measures to address Voice deficits.

2.2.1 Voting Structure and Seats at the Boards

In the paper presented to the Boards in September 2003, the staffs point out that there are IDA votes allocated, but unsubscribed to, by developing and transition countries. If countries took up their full

¹⁶ The Social Justice Committee is committed to the concept of debt sustainability. This goal of the EDs' offices raises flags for us, but this issue is not specifically addressed in this paper. However, we do treat the issue of better designed policies, which would result in more productive borrowing.

subscriptions, their voting share would be somewhat improved. But this costs money. Each country needs to decide if the gain in votes is worth the cost, and staffs are aware this would not fully redress the Voice deficit.

At the March 2004 Consultative Meeting of African Governors of the Bretton Woods Institutions in Johannesburg, the Governors agreed to take up their full IDA subscriptions by the end of March 2005. An idea to establish a donor trust fund to finance the transactions was not accepted. There has been no decision regarding the possibilities for the non-African IDA countries to take similar actions.

Action regarding the voting structure at the Bank Board beyond this is being examined, but it is acknowledged that any real change will likely be a long way off given the need for substantial consensus building on the issue.

The Fund Board is considering various options to adjust basic votes and revise the formula used to determine quotas. While there is a consensus that a more simple and transparent formula should be developed, any real decision will take much further consensus building and political will.¹⁷

There has also been a lot of discussion regarding possible changes in the seat compositions at the Boards, in particular the merging of two or more European seats. There are several good arguments for reducing the number of European seats. The central argument is that the European Union should be able to speak with one voice. Indeed, the German and French have proposed joining their seats for a start. African offices comment on the fact that if you compare populations of Africa and Europe, it seems bizarre that Europe Union is represented in ten seats, while Africa has only two seats completely dedicated to the African continent. Given the US position regarding adding any more seats, this African addition could only take place if two or more other seats merged.

There is also some discussion of adding another African seat to the Bank Board – forming a new African constituency around South Africa. Such a measure would help with some of the seat allocation imbalance, but would still fall well short of addressing the fundamental problem.

The Articles of Agreement of both Boards have procedures that must be adhered to in adding or subtracting a seat from the Boards. Altering constituency compositions is another, more easily achieved, possibility. Changing around seats and constituency compositions is a huge task. Some countries are content to be in their present constituencies for their own reasons. Some poor countries may feel better represented by a wealthier one and wish to remain in a mixed constituency. Others may not. Changing the power dynamic of the Board so significantly could also have unforeseen consequences. For example, during the debt campaign, it proved very useful to have supportive European and the Canadian seats to counter the strong unsupportive voices of some Europeans and the most powerful seat.

Just as advocates have learned to work with the present Board composition, all could make adjustments, but it should not be assumed that a new composition would have a predetermined result. While unforeseen consequences should be assessed as far as possible, any movement toward a more balanced seat composition is desirable.

¹⁷ International Monetary Fund, “Report of the Executive Board to the IMFC on Quotas, Voice and Representation,” 12 September 2003.

2.2.2 Voice of the Least Capacitated Seats on the Boards

The need for central training and learning programs for incoming EDs' office staffs, as well as other practical needs like enhanced technology for communication between EDs' offices and governments has been considered and acted upon. A learning program for EDs' office staffs is being developed. An intranet has been established so that documents going to the Boards of the Bank and Fund can be accessed electronically by governments.

An Analytical Trust Fund has been established to address some capacity constraints of the sub-Saharan African EDs' offices. The UK, France, the Netherlands and Sweden are contributing \$1.5 million for the Trust Fund over the next three years. The African Consortium for Economic Research has taken up the contract, although no work has yet been commissioned. The Trust Fund is available to the sub-Saharan African EDs' offices at the Fund and the Bank to undertake analytical work and research on specific issues of concern.

2.2.3 Voice of Poorer Countries within the Institutions

The use of secondment as a diversification and education tool, whereby African civil servants could more regularly be financed to join Bank staff for short periods of time, has been promoted in the context of the Voice dialogue. Further decentralization of the Bank is also seen as a means to address Voice deficits and improve borrower ownership of Bank programming.

The nationalities of senior management at both institutions is also a reflection of the Voice deficits of the poorest countries. The failure of the Fund to implement its own recommendations to improve the selection and appointment process of its Managing Director did not send a positive signal to those concerned with Voice deficits. There are currently a number senior management positions vacant at the Bank, and the recruitment for these positions is being monitored by those following the Voice dialogue with particular interest.

2.2.4 An Opportunity to Move Forward Not Acted Upon

Recognizing the difficulty in addressing the structural changes needed to enhance the Voice of poorer countries at the IFIs, Trevor Manuel, Finance Minister of South Africa and Chairman of the Development Committee, proposed the "establishment of an independent 'Eminent Persons' Group' to consider the composition, structure and functioning of the Boards." Mr. Manuel suggested the group report to the Development Committee at the 2005 Spring Meetings of the IFIs, but given this worthy recommendation has not been acted upon after more than six months, more time would most likely be needed. His goal was that the Group would have come up with some recommendations that could be acted upon, if accepted, in time for Executive Director constituency elections in 2006.¹⁸

An Eminent Persons' Group to consider Voice issues could contribute to getting past the political impasse on structural issues, but could also consider more simple measures that have not yet been taken to address Voice deficits. The Group should have the full technical support of the IFIs and should have civil society involvement. While Mr. Manuel's recommendation is rightly identified by the Bank Board as being beyond its remit, it should be taken up immediately by the political leadership of the IFIs.

¹⁸ Constituency elections are mentioned again in Sections Four and Five. Mr. Manuel made it clear that recommendations made by the Group could be accepted or rejected given its independence.

2.2.5 Voice of Citizens

The institutions recognize that country “ownership” of Bank and Fund policies is an important component of Voice. Much could be achieved through the Poverty Reduction Strategy (PRS) process, as we identify below. While the link to the PRS process is acknowledged, no renewed, practical commitment to making the process more rigorous has been made in the context of the Voice dialogue. This would be an important issue for the Eminent Persons’ Group to consider.

An improved PRS process would enhance the ownership of borrowing governments and citizens. Increased parliamentary scrutiny in borrowing countries on IFI activity would also be beneficial to enhancing Voice. Increased transparency by the institutions in local programming would further support the development of ownership, as would more inclusive approaches to conducting their work.

In the following section we consider the need to enhance transparency and ownership in the context of the Voice dialogue.

Recommendation:

- The political leadership of the IFIs should take up Mr. Manuel’s recommendation to establish an Eminent Persons’ Group. The Group should have the support it needs to conduct the full breadth of the work needed to address the many aspects of the Voice issue, including those we identify below. Civil society involvement in and transparency of the work of the Group would be highly desirable.

3.0 Enhancing Voice through Improved Transparency and Ownership

3.1 Transparency

Despite the efforts of the author to gather a full picture of how the IFI Boards function on an ongoing basis, there is a limit to the extent to which an outsider can make informed recommendations about how to improve the operation of the IFI Boards.

Through interviews with a substantial number of EDs' office staffs, and others, we have an understanding of part of what really takes place at these daily meetings, although this understanding is limited. Unfortunately, many questions cannot be answered because of the secrecy of the operations of the Boards and the institutions themselves. Much more needs to be done to improve the transparency of the IFIs.

The IMF Board's weekly agenda is available on the IMF website and updated daily. The decisions are also posted with some quotes from the Chair.¹⁹ Many of the papers considered by the Board are posted after approval, but little is known of the discussion that took place at the 126 IMF Board meetings, eight seminars, and 77 committee or other meetings held in 2002, for example.²⁰ Minutes of Board discussions and other Board documentation are only made available after ten years, upon request.²¹ However, many of the papers considered by the Board are posted after approval.

The World Bank also posts the agenda for its Board discussions, on a monthly basis.²² The Bank updates its agenda less frequently than does the Fund, although it is helpful to have the planned schedule a month in advance. There is currently no mechanism available for requesting minutes of the Bank's Board discussions.

The Chair of the Bank Board's summing-ups are published only after five years. Under the Bank Board's Rules of Procedure the proceedings of Board meetings are confidential. The documents considered by the Board are also confidential; unless disclosure is approved, confidentiality is presumed. A large number of documents considered by the Board are made public after Board approval, some without needing consent of the government in question, some only with that consent.²³ In part, confidentiality of documentation is maintained to keep potentially destabilizing financial information private. Board discussions of the documents are kept private to maintain the "preservation of the integrity of the deliberative process"²⁴ of the Board, as are the internal documents and memoranda that EDs' office staff and Bank staff and management may write about these documents.

Improvements to disclosure and operations transparency are necessary. Board agendas provide useful information, and more effort should be made at the Fund to post agendas further ahead of time, and at the Bank to update agendas more regularly. The fact that papers discussed at these

19 The agenda can be found at <http://www.imf.org/external/np/sec/bc/eng/index.asp>. The decisions are posted at <http://www.imf.org/external/what/what.htm>.

20 IMF, Annual Report 2003, pg. 81.

21 For details go to <http://us.f611.mail.yahoo.com/ym/ShowFolder?rb=Inbox&YY=28813&YN=1>.

22 This can be found at <http://siteresources.worldbank.org/BODINT/Resources/calendar.pdf>.

23 For a full explanation of what is and is not disclosed see, <http://www1.worldbank.org/operations/disclosure/policy.html>.

24 From World Bank "The World Bank Policy on Disclosure of Information," found at <http://www1.worldbank.org/operations/disclosure/policyIV.html>.

meetings are not disclosed until after Board approval, if at all, undermines the value of public access to the agendas in the first place.

A first step toward addressing this problem would be to include paper summaries and issues for discussion with the posted agendas. Thorough Board minutes and other documentation, such as statements from EDs' offices, should be posted on the websites as soon after Board discussions as possible. This may seem ambitious, especially for the Bank where there is a tighter lid on Board proceedings, but transparency is a core issue to address in efforts to improve Voice at the IFIs.

Indeed, improving the transparency of Board operations, and of the papers they consider could substantially enhance not only the Voice of those with deficits, but also go a long way toward addressing the issue of balanced decision-making. If EDs knew their positions and comments would be public in the near future, they would be more likely to take positions they could more easily justify than they perhaps do now. More balanced decision-making should be a natural product of enhanced outside scrutiny. If knowledge of public reaction did not produce more balanced decision-making, actual reaction and pressure would.

Recommendations:

- The IMF should post its agendas further ahead, and include paper summaries and issues for discussion. The goal should be to disclose full papers prior to Board discussions.
- As a first step, the IMF should post thorough minutes of Board discussions and other Board documentation after one year. The goal should be to post them as soon as possible after Board discussions in the near future.
- The Bank should update posted Board agendas more frequently, and include paper summaries and issues for discussion with the agenda. The goal should be to disclose full papers prior to Board discussions.
- As a first step, the Bank should post thorough Board minutes and other Board documentation after one year. The goal should be to post them as soon as possible after Board discussions in the near future.
- Information disclosure policy at both institutions should be revisited in the context of enhancing Voice in the governance and operations of the IMF and World Bank.
- Proposals concerning further disclosure of Board proceedings and documents considered by the Boards should be presented to the Development Committee in April 2005.

3.2 Ownership

The need for transparency and improved Voice for poor countries is not confined to the Boards. The vast majority of time spent in the Boards is spent discussing papers and proposed operations prepared by the staffs of the two institutions.²⁵ One of the most effective, direct ways to enhance the Voice of poor countries is to do so well before the Boards gets involved - at the level of program and project design.

Country programming by the IFIs needs to be more reflective of the needs and views of the governments and people of borrowing countries. The policies that IFIs support, with their lending, or otherwise, must be owned by those they serve. Civil society organizations (CSOs) around the

²⁵ For example, 67% of IMF Board time in 2002 was spent reviewing Article IVs, program reviews, and arrangement approvals. The remaining time was largely spent considering papers prepared by staff. IMF, Annual Report 2003, pg. 81.

world work toward achieving this goal. Policy making – what should actually be policy *advising* - by the IFIs needs to be done far more transparently and inclusively. There are specific approaches IFI staffs could take – some of which surely have been suggested many times before.

3.2.1 IMF Programming

IMF lending operations, such as Poverty Reduction and Growth Facilities (PRGFs), should be negotiated in a more transparent and inclusive manner. When Fund staffs begin a programming mission, they should make it known they are coming and what the basic parameters of their negotiations with the government will be. These parameters could be outlined in a statement from the Fund that sets out its core, current policy advice to the government, and the Fund's justification for such advice, what has been referred to as a “rationale statement.”

At the beginning and end of their missions, staff should set time aside to meet with local CSOs. Staffs could identify local groups they would like to meet with, but they should also simply make themselves available to meet with those that might approach them. A public meeting where Fund staffs, government and donors are present would be one approach to take. The Fund's rationale statement should be made available before missions so that CSOs and others that might attend a public meeting with Fund staffs are prepared before-hand and able to engage in an informed dialogue.

Ideally, the PRGF policy dialogue should take place within the Poverty Reduction Strategy (PRS) framework. While actual agreements and Board approval should come only after PRS Paper (PRSP) finalization, the content of the program, and the Fund's core policy advice to countries should be an integral part of the PRS dialogue – a dialogue that is transparent and inclusive.

Recommendations:

- PRGFs should be discussed and designed in a transparent and inclusive manner, as part of the PRS process.
- PRGF missions should publicize their arrival, explain their purpose, and provide time to meet with CSOs and others at the beginning and end of their missions.
- At the beginning of the programming cycle, the Fund should prepare and make publicly available a rationale statement, containing its core, current policy advice to governments.

3.2.2 World Bank Lending

World Bank programming, as with that of the IMF, would best be conducted in a more inclusive and transparent manner. Country Assistance Strategies (CASs), the Bank's three- to five-year lending plan for a country, would be better developed through a participative process. This could be done using the PRS framework. While formal decisions take at the Board level on the CAS would need to wait for the PRSP to be finalized, the CAS dialogue could take place alongside the PRS one.

While Bank staff may take part in PRS dialogues presently, the content of their policy advice is not made explicit. All donors need to be forthright in the PRS process and make their policy advice clear and be clear what they are prepared to support and not. The Bank could do this by preparing rational statements containing the core, current policy and sectoral advice they are giving the government. These rationale statements should be made publicly available well ahead of program and project negotiation.

Bank staffs preparing to go on mission, as with IMF staffs, should announce their arrival publicly, state the purpose of the mission, and make themselves available to CSOs and others at the beginning and end of missions. The rationale statements should be available ahead of such meetings so that participants could come prepared to have an informed dialogue.

The CAS dialogue should include detailed discussion of all the proposed lending from the Bank over the period. Through the CAS dialogue, local CSOs and others may identify specific loans they feel need further discussion or assessment. The Bank should be prepared to discuss and design policy and other loans in an inclusive and transparent manner as well.

Recommendations:

- CASs and specific projects and programs should be prepared in a transparent and inclusive manner, as part of the PRS process.
- CAS and other Bank missions should publicize their arrival, explain their purpose and provide time to meet with CSOs and others at the beginning and end of the missions.
- Before program or project negotiations begin, the Bank should prepare and make publicly available rationale statements, containing the core, current policy and sectoral advice the Bank is providing to governments.

3.2.3 Impact Assessments and Evaluation

Impact assessments are an integral part of good economic policy making. Once economic goals and a menu of policy options to reach those goals are identified, impact assessments should be used to test the various options and compare the trade-offs of each. After policy implementation, the results of the policy choice should be evaluated. Unfortunately, impact assessment and evaluation of economic policy choices are too often left to a select group of people whose objectivity is questionable.

Impact assessments and evaluations of economic policy choices should be carried out in a more inclusive and transparent manner. The need for impact assessments of reform measures should be identified through the inclusive dialogues outlined above. The Poverty and Social Impact Assessment (PSIA) is a tool being used by the Bank, the IMF, governments and donors to assess the distributional impacts of selected reforms. While this tool, and the way it is being used currently, is limited, it has the potential to beneficially affect Voice at the country level.

Governments could be far more engaged in PSIA and other impact assessments and evaluations more broadly. In a few countries, the government is very much in control of the process, but this is rare. Capacity limitation is identified as a serious constraint in this regard. Finding ways to make this type of work more straight forward and less technical where possible would make it more accessible to governments and others.

More CSO involvement is desirable. This involvement, and that by government, would include participation in the selections of reforms to be examined, the design and implementation of the work, and in the follow-up evaluation and monitoring.

Some PSIA's to date have included CSOs. More, but certainly not all, have included borrowing governments. Broader inclusion in this potentially important work would enhance the Voice of those included, and build ownership of the assessments and, ultimately, of reform policies.

In World Bank and IMF programming, impact assessment and evaluation work also needs to be done far more transparently. This would include making decisions regarding choice of reform for examination, the terms of reference for the work, preliminary findings of the studies and final reports all publicly available in a timely fashion. Such transparency would work together with enhanced inclusion to promote ownership of the work and the Voice of more citizens. Where broad inclusion is politically difficult or costly, enhanced transparency should be a minimum step forward.

Recommendations:

- The need for PSIAs, and other impact assessments and evaluations should be determined inclusively and transparently.
- The assessments and evaluations should then be conducted and findings acted upon where needed with the same inclusiveness and transparency.

3.3 Conclusion

Bank and Fund Missions swoop in and out of poor countries making agreements that only a few individuals know about until well after decisions are taken by the Boards. This way of making policy decisions that affect so many is unhelpful, even harmful. The IFIs themselves accept that reform policies will not work if they are not country-owned. IFI staffs often suggest to governments that they publicize and explain reasoning behind upcoming policies agreed in reform packages in the press to prepare their citizens. We suggest to the IFIs, and governments, that they conduct their business more transparently and inclusively – which would more fundamentally address the important question of ownership.

The measures identified would go a long way towards improved country Voice in and ownership of IFI policy advice as adopted by their governments. Many of these measures would take no major policy shift or substantial additional resources. They would just involve modifications in the way IFI staffs conduct business in-country. Meanwhile, the pay-off could be substantial.

Recommendations:

- PRGFs should be discussed and designed in a transparent and inclusive manner, as part of the PRS process.
- PRGF missions should publicize their arrival, explain their purpose, and provide time to meet with CSOs and others at the beginning and end of their missions.
- At the beginning of the programming cycle, the Fund should prepare and make publicly available a policy rationale statement, containing its core, current policy advice to governments.
- CASs and specific projects and programs should be prepared in a transparent and inclusive manner, as part of the PRS process.
- CAS and other Bank missions should publicize their arrival, explain their purpose and provide time to meet with CSOs and others at the beginning and end of the missions.
- Before program or project negotiations begin, the Bank should prepare and make publicly available rationale statements, containing the core, current policy and sectoral advice the Bank is providing to governments.
- The need for PSIAs, and other impact assessments and evaluations should be determined inclusively and transparently.
- The assessments and evaluations should be conducted and findings acted upon where needed, with inclusiveness and transparency.

4.0 The Executive Directors' Offices at the IMF

The IMF Board is in continuous session and can meet as often as needed to conduct Fund business. In practice, it meets Mondays, Wednesdays and Fridays in regular session for about 600 hours per year.

There are twenty-four EDs empowered by the Articles of Agreement to conduct the day-to-day business of the Fund in place of the Board of Governors. It would take an 85% majority vote of the Fund Board to increase or decrease the number of seats at the Board. The Articles of Agreement require that five EDs are appointed by the five largest shareholders, while the remaining nineteen are elected by the rest of the members.²⁶

The five largest shareholders are France, Germany, Japan, the United Kingdom and the United States. Not only are the EDs for these countries appointed by their governments, but they can also be dismissed immediately. In this way, the five most powerful EDs at the Board are also the most vulnerable to the will of their political masters. The fact that these offices only serve one country and maintain constant communication with their capitols adds to the political role these offices play.²⁷

Three other members have their own EDs' offices – China, the Russian Federation and Saudi Arabia. The other sixteen ED offices are arranged in constituencies, each representing between four and twenty-four member governments. The EDs of these offices are elected by their constituencies and serve for two full years, barring an unforeseen occurrence. Each of these offices has its own accepted rules as to which country holds the ED's position. Some offices always have the country with the most votes in the lead, while others are on partial or full rotation. The manner in which the EDs, Alternates, Senior Advisors and Advisors are appointed is managed internally, within the ED's office.

The Board primarily considers papers prepared by Fund staffs, such as: Article IV Consultations; Use of Fund Resources (e.g. requests for PRGFs, Stand-By Arrangements (SBAs), other uses of Fund resources, and program reviews); and policy papers. The staff also propose a list of issues contained in these papers to be considered by the Board. Some of these papers are accompanied by a statement from the subject government, such as a Letter of Intent and Memorandum of Economic and Financial Policies.

All staff papers are subject to an internal review process by the Policy Development and Review Department (PDR) and other functional departments such as Fiscal Affairs (FAD), Monetary and Financial Systems (MFD), International Capital Markets (ICM), and Research. Papers are then reviewed by the Managing Director.

The Managing Director makes the final decision as to which questions and issues will be considered by the Board. If it is unclear as to whether influential EDs will agree with a certain proposal made by staffs, the Managing Director will informally discuss the issue with the EDs, gauging positions before he decides which questions and issues to pose to the full Board. The papers are then circulated to EDs' offices. Thus most negotiation, where there is room for such, takes place well before the full Board discussion.

²⁶ The Articles of Agreement refer to the remaining fifteen EDs, not reflecting the addition of four EDs since.

²⁷ In the case of the US, the fact that the IFIs are in DC must also further increase the political influence on the ED's office.

Agendas and accompanying papers are usually circulated to ED offices and their capitols three weeks ahead of scheduled meetings.²⁸ Member governments then have the same access to these papers that the EDs' offices have. The Extranet, established last year, allows a certain number of access points in member capitols to IMF documents that have yet to be approved by the Board. In theory, this should improve the ability of Southern governments to make their reactions to papers more quickly. Some EDs' office staffs interviewed report that, in some cases, they still have to lobby for reactions they can incorporate into the office's position on these papers.²⁹

Almost all decisions of the Board are taken on a consensus basis. It is very rare that an actual vote is taken. The Chair of the Board, the Managing Director or one of the deputies, manages the Board in various ways. The Chair shapes the discussion of the Board, as described above, and also determines the consensus following discussions. The influence of the Voice of a single ED, rather than voting power, can in some ways be more significant if the ED (or Alternate) is skilled at expressing their view clearly and convincingly. So EDs with little voting power could, in theory, pitch well above their weight. But on the other hand, EDs with little voting power may have little incentive to contribute to the discussion if they perceive that the Chair is really looking to the most significant EDs – in terms of voting - to move toward consensus.

There are nine committees of the Executive Board that meet to discuss certain issues in further detail. They are: Committee on Executive Board Administrative Matters; Committee on Administrative Policies; Committee on Agenda and Board Procedures; Committee on the Budget; Evaluation Committee; Committee on Interpretation; Pension Committee; Committee on Liaison with the World Trade Organization; and Ethics Committee.

EDs sit on up to three committees. However, Committee meetings are open to the rest of the Executive Board, and the discussions that take place in Committee meetings are more or less repeated in full Board meetings. The Fund Board Committees themselves do not exercise any real influence over Board decisions. They act as technical working groups that support the overall work of the Board.

The EDs are appointed by the member governments. The appointment requires approval by the Fund's MD. The EDs are corporate officers of the IMF and their salaries are paid by the IMF. One of the primary roles of the Board is to ensure the institution is operating according to its Articles of Agreement. But Board members are also on the Board to represent the interests of their governments. EDs' office staffs accompany their represented country governments on Article IV missions; they accompany constituency governments during other significant Fund Missions and generally support governments during program design; as well as act as host to visiting government delegations. The offices do a lot to support their governments, but they continue to have oversight responsibilities for the staff and management of the Fund. Political agendas at home should not interfere with IMF operations, but it is reasonable to assume it might, especially in single constituency offices where there is no competition for Voice.³⁰

28 Policy papers are generally circulated three weeks prior to the Board meeting while country documents (Article IVs, use of Fund resources) are circulated two weeks in advance of the meeting.

29 Technical challenges may limit government access to the Extranet, but it also seems to be a case of lack of interest in or habit in accessing information in this way.

30 In interviews with eight multi-constituency EDs' offices at the Fund and Bank, all staffs we spoke with noted the difficulty of projecting one resounding voice at the Board on many issues. Messages often get watered down due to the need to accommodate the many voices that may be represented. This is not the case in single constituency offices.

4.1 Capacity of the EDs' Offices

Given the breadth of support that EDs' offices give their governments, it is not surprising that capacity is a serious issue for the sub-Saharan African offices.³¹ No one denies that. Looking after almost twenty or more countries in all these respects is a considerable task. There is apparently a lot of good will to improve this capacity, but as discussed earlier, capacity is not the only issue by any means. More people serving one ED is not going to address the many dimensions of the Voice deficit. There would still be one seat around a table compromised by wearing too many hats, and an additional seat or two at the Board would still come up short on addressing the problem.

At the other end of the spectrum is the single constituency office. Single country offices have far more time to be outward looking than other offices. Article IV accompaniment still takes their attention, but more time is available for other activities. If a particular country is of significance to a single constituency office, that ED's office could possibly spend more time focusing on that country than the ED's office that represents it, and in the end have far more influence on the Board's position regarding the final program. Part I countries have civil servants working in the countries in question with access to communication facilities at times better than that of governments. In this way, a single constituency office could well have more up-to-date information on a particular issue in a sub-Saharan country than the ED's office representing that country.

There are several issues that affect the capacity of multi-constituency EDs' offices. Some Part II governments may have serious capacity constraints at home. Governments in Part II countries are also likely to focus more on their program interactions with the Fund than on their Voice at the Board. EDs' offices that consider their Voice deficit to be related to overall capacity constraints, even marginally, could make a contribution to the Voice dialogue by preparing notes on their overall responsibilities and how they are limited in meeting them by capacity constraints. Comparing such notes to those prepared by more capacitated offices should prove useful in identifying ways to enhance capacity of those with Voice deficits.

Recommendation:

- EDs' offices should prepare a note outlining their responsibilities and activities. Those concerned with their Voice in terms of overall capacity should note where they feel they fall short in their capacity to meet these responsibilities. These notes should be considered as a priority within the Voice dialogue.

4.2 Communication

Improved communication and cooperation between the various actors affecting Board discussions might be one way to address the Voice deficit experienced by some offices.

When a paper concerning a member country comes to the Board, the ED's office representing that country prepares what is known as a "buff statement" addressing the issues raised by staff. "Bufs" are expected to be circulated two days before the meeting. The two and a half weeks, in some cases one and a half weeks, that is allowed for preparation of this statement should be sufficient if there is good communication between the member country government and ED's office, and if the government is well capacitated in terms of making its response. This is not the case in some of the offices we polled. EDs' offices prepare "grays" in response to staff papers on countries not

³¹ The Anglophone African ED's office represents nineteen members at the Fund, while the Francophone African ED's office represents twenty-four members.

represented by their office. These are expected to be circulated by 3.00pm on the afternoon before the Board meeting, 5.00pm at the very latest. “Buffs” and “grays” make up a significant part of the written communication between EDs’ offices.

Some of the Voice imbalance between EDs’ offices could be partially rectified through improved communication between EDs’ offices themselves. It is difficult for some offices to obtain solid input from member government for the preparation of their own “buffs,” let alone respond effectively to a “gray” delivered at the last minute that may raise some difficult issues. Some EDs’ offices with the most influence at the Board are known to issue “late grays”. This cannot be helpful to those that need to know the positions of these influential offices.

It is also the case that views are not always expressed in writing. This is accepted practice, and preferred by some, unless an office with substantial Voice has something less than routine to raise. In this case, it is impossible for the representing ED’s office to respond effectively unless they have excellent information from their governments – which, as stated before, is often not the case.

There is an accepted rule of practice that EDs’ offices *ought* to communicate with one another on problematic issues before going to the Board, but this behavior is not mandated and depends on informal networking - regular coffee breaks and other informal meetings. For a newly appointed Advisor, or one less skilled in the ways of networking, this could be a difficult task. This type of important communication should not depend so heavily on personal contacts and arbitrary skill mixes and personalities.

There should be some protocol in place to improve inter-office communication. Semi-regular Senior Advisor and Advisor (SA&A) lunches already take place as a way to improve inter-office communication. Originally the idea was to have one every month but in practice, they are held every two or three months. This may be because there is no central support for this initiative; it depends on the EDs’ office staffs pulling these events together. While this initiative should not be discouraged, there should be some central support for this type of occasion for Advisors to meet informally and regularly. For instance, the EDs have regular teas organized for them by the institution. The point would not be to over regulate communication, but to find a way to improve it. As it is now, it is not working as well as it should.

There is also the communication between staff or management and EDs’ offices to be considered. Some EDs’ office staffs commented on not knowing what was happening behind the scenes on the countries they represent. For instance, they would not know if either another ED’s office, or associated civil servants, was lobbying staff to move a certain way on a program concerning one of their countries.³² While they accept that it is up to them to keep on top of what was happening on country programming and maintain a regular channel of communication with staff working on the program, being at all under-capacitated could cause a break-down in this communication. Sharing weekly agendas between EDs’ offices through the Intranet might go a long way to addressing this problem.

There is also room for improvement regarding the circulation of written communication between Fund staff and management and EDs’ offices. Staffs working on particular countries inform EDs of impending missions, and send them the “pre-mission brief” setting out the purpose of the mission as well as aide-memoires written by country teams upon their return from mission. In theory, this communication should be sufficient to keep EDs and their staff informed on Fund operations in the countries they represent, but staffs in multi-constituency offices often feel they are lacking

³² Staffs are not supposed to be swayed by such lobbying, but some feel this *is* a problem.

information. This could be due in part to communication problems within EDs' offices or capacity constraints. There is room for improvement in the ways in which Fund staffs and management keep EDs' offices informed. This issue should be addressed in the dialogue around Voice.

Recommendations:

- If an ED's office has something contentious to say about a paper coming to the Board, it should do so in writing (a "gray") at least two days prior to the Board meeting. However, raising concerns informally through a meeting or other communication before resorting to a "gray" should be reinforced as best practice.
- Centrally supported opportunities for regular, group face-to-face interaction, such as Advisor Teas, should be considered within the context of the Voice dialogue.
- EDs' offices should produce and share weekly agendas on the Intranet.
- Measures should be taken to ensure all information sent to EDs by staffs is circulated appropriately within the office. It may be worthwhile considering looping in Advisors to this communication to ease capacity constraints in multi-constituency EDs' offices.

4.3 Recruitment and Priority of Voice Nationally

Making the most of the space afforded to countries with a Voice deficit at the Board is essential. One obvious way to do this is to recruit the best possible staff to conduct the work of the offices. There is an obvious trade-off here when considering countries with capacity constraints at home. However, if member governments consider their representation at the Fund important, they should be willing to send highly skilled people for the job.

There is in many cases a problem in attracting skilled staff to Washington. While the pay is better than most would receive at home, working at an ED's office is not necessarily seen as part of career development for some poor country civil servants. Returning home might be difficult, as resentment and lower pay would be waiting, or no guaranteed employment. If representation at the Fund is considered important to member countries, better incentives should be provided to attract the right staffs, and working at the ED's office, or at the Fund for that matter, should be better incorporated into civil servant career paths.

The Voice dialogue should be taken to member governments, as it is governments that need to determine how important their Voice in governance of the Fund is, and if so, how they might better utilize the EDs' offices to support their work at the Fund and at home. This could be done by setting aside time during up-coming missions, or the next appropriate mission, to discuss Voice and share the dialogues taking place in Washington. EDs' office staffs could also extend the dialogue they are most likely already having with their governments on the issue.

Both the Fund and EDs' office staffs should find ways to include CSOs and others, such as the private sector, in these discussions. However obtained, local views should be incorporated into the discussion taking place in Washington. These views would help identify what borrowing governments and citizens expect to achieve from enhanced Voice at the Fund Board, as well as indicate where the issue of Voice is of higher priority.

Improving personnel procedures would be an immediate way to address this aspect of the Voice deficit. EDs' offices should draw up job descriptions and person specifications for EDs, Alternates and Advisor positions. These descriptions and specifications should be shared between EDs' offices, with the goal of developing job descriptions and specifications for the posts across offices. Some

EDs' offices have already taken such measures and should immediately share their material. The IMF's Personnel Department should assist in this process. The issue should receive considered attention in the Voice dialogue and the right approach should be identified and pursued as soon as possible.

Recommendations:

- The Fund and EDs' office staffs should extend the Voice dialogue to the country-level. Discussions should include not only governments, but also CSOs and others.
- Efforts to include local views should be underway as soon as possible and preliminary findings regarding local Voice priorities should be presented at the 2005 Spring Meetings.
- Improved recruitment and personnel procedures should be developed and implemented as soon as possible.

4.4 Training

The need for better training, preparation and hand-over is something expressed by at least someone in every office we polled, barring single constituency offices (although they felt this was needed in other offices). New staff coming in as Advisors felt ill prepared to understand the workings of the Board and the institution, much less participate in a way that provided the most Voice to their represented country. Some caught on quickly, depending on background and language comfort, while others found themselves still struggling after six months. The Fund and the offices themselves could do more to provide tailored training for incoming EDs' office staffs.

Various ideas are circulating as to how better training could be provided to EDs' office staffs. One interesting idea is seconding Fund staff to work for short periods in EDs' offices. This would provide excellent exposure for newcomers on how the Fund works as an institution. More professional recruitment procedures, as mentioned above, were also highlighted by many as an important contributing factor. Improved person specifications would help ensure that skilled people are placed in EDs' offices. Clear job descriptions would provide a better understanding of what is expected of EDs' office staffs. Something as simple as a training pack, which could draw on contributions from a multitude of sources, would also be helpful. Some offices do provide such a pack, but many staffs interviewed suggested that practices could be greatly improved and shared more broadly.

The issue of training should be explicitly included in the dialogue around Voice and steps should be agreed upon and pursued as identified.

Recommendations:

- EDs' offices should, as part of their overall personnel agenda, put together training packs for incoming staffs. The Fund's Personnel Department should assist in this.
- Ideas for better training should be discussed between EDs' office staffs. Many have good ideas that should be shared and adopted. The idea of Fund staff secondment to EDs' offices for short periods of time should be explored further.

4.5 Language

English as a second language was a repeated theme in discussions of the Voice issue with EDs' office staffs. Those working with English as a second language take longer to settle into their jobs at the

offices, and there were examples mentioned of where staff spoke to the Board without being clearly understood. Difficulty with language can also inhibit the presentation of ideas and the behind the scenes networking needed to do their jobs effectively.

Some would say that proficiency in English should be considered a requirement to work in EDs' offices, because English is the working language of the Fund. Better recruitment might also make language and presentation skills more of a priority in recruitment. While language and presentation limitations have been identified as possible capacity constraints, it should not be assumed that English proficiency and presentation skills are the most important skills in these offices. Nevertheless, the Fund should not only provide, but actively promote, English and presentation training to incoming EDs' office staffs.

Recommendation:

- The Fund should provide and actively promote better English and presentation training to incoming EDs' office staffs.

4.6 Prioritization and Delegation

Using present capacity to most effect is also an issue to consider in this thinking about Voice. Endlessly preparing "grays" on every country may not be an effective use of time in an overworked office. Spending more time on strengthening "buffs" and the most important "grays," on preparing well placed verbal interventions and investments in staff training in other areas could be a more useful endeavor. Staffs we polled suggest that spending more time reporting to constituency governments on the proceedings of Board meetings would be a more effective use of limited time, compared to producing "grays" on every country.

Better use of delegation would also go some way to addressing capacity constraints in some offices. Some EDs are happy to delegate quite a lot of responsibilities to their Advisors, some are not. Some feel that certain offices do not empower their Advisors nearly enough. Especially when an office represents a large number of countries, with one ED ultimately representing over twenty countries, it is difficult for this individual to give the proper attention needed to every country. Advisors, on the other hand, responsible for three or four countries, are more able to focus on specific member issues and needs. Wherever possible, Advisors should be empowered to represent their countries as effectively as possible, and increased delegation of responsibility by EDs may assist in this.

EDs' offices concerned about their Voice deficit should review their overall activities and responsibilities, as recommended above, and the effectiveness of present activities should be considered closely. The possibility for increased delegation to Advisors should also be considered in this context.

Recommendations:

- EDs' offices should consider usefulness of current activities in reviews of office responsibilities, with a view to prioritizing the most effective activities.
- Where appropriate, more responsibilities should be delegated to Advisors, to enhance overall office capacity.

4.7 Country Level Support

The mixed constituency and African constituency EDs' offices all felt pressed to provide the amount of support they felt was needed related to Fund missions. Sometimes office staffs are able to accompany on the last week of a typical three-week mission, but not always. And sometimes it was felt staffs should accompany for more of the mission, if not all, especially in sub-Saharan African countries.

Where there are particular communication problems between Fund and government, the ED's office role as intermediary is more significant, and the offices should have the capacity to notch up support under these circumstances. Relationships between Fund staff and government are also more likely to be strained in countries that are represented by multi-constituency EDs' offices given the increased level of programming, and so where support from EDs' offices is most needed there is typically less capacity to provide it. This issue should be given attention in the EDs' offices reviews of responsibilities and activities.

Recommendation:

- Multi-constituency EDs' offices' reviews should point out the need for increased mission accompaniment where it exists. This need should be considered within the Voice dialogue and acted upon promptly.

4.8 Conclusion

Everyone we spoke to at the Fund about the Voice issue had some idea as to how to address Voice deficits. It is clearly something that staffs of EDs' offices and beyond are thinking about. It seems that staffs are not necessarily talking to one another about their ideas as much they could, and that some intriguing ideas would emerge if they did. We suggest that interested staffs come together on this issue in an informal environment.

Summary of Recommendations Regarding the Executive Directors' Offices at the IMF:

The Capacity of EDs' Offices

- EDs' offices should prepare a note outlining their responsibilities and activities. Those concerned with their Voice in terms of overall capacity should note where they feel they fall short in their capacity to meet these responsibilities. These notes should be considered as a priority within the Voice dialogue.

Communication

- If an ED's office has something contentious to say about a paper coming to the Board, it should do so in writing (a "gray") at least two days prior to the Board meeting. However, raising concerns informally through a meeting or other communication before resorting to a "gray" should be reinforced as best practice.
- Centrally supported opportunities for regular, group face-to-face interaction, such as Advisor Teas, should be considered within the context of the Voice dialogue.
- EDs' offices should produce and share weekly agendas on the Intranet.
- Measures should be taken to ensure all information sent to EDs by staffs is circulated appropriately within the office. It may be worthwhile considering looping in Advisors to this communication to ease capacity constraints in multi-constituency EDs' offices.

Recruitment and Priority of Voice Nationally

- The Fund and EDs' office staffs should extend the Voice dialogue to the country-level. Discussions should include not only governments, but also CSOs and others.
- Efforts to include local views should be underway as soon as possible and preliminary findings regarding local Voice priorities should be presented at the 2005 Spring Meetings.
- Improved recruitment and personnel procedures should be developed and implemented as soon as possible.

Training

- EDs' offices should, as part of their overall personnel agenda, put together training packs for incoming staffs. The Fund's Personnel Department should assist in this.
- Ideas for better training should be discussed between EDs' office staffs. Many have good ideas that should be shared and adopted. The idea of Fund staff secondment to EDs' offices for short periods of time should be explored further.

Language

- The Fund should provide and actively promote better English and presentation training to incoming EDs' office staffs.

Prioritization and Delegation

- EDs' offices should consider usefulness of current activities in reviews of office responsibilities, with a view to prioritizing the most effective activities.
- Where appropriate, more responsibilities should be delegated to Advisors, to enhance overall office capacity.

Country Level Support

- Multi-constituency EDs' offices' reviews should point out the need for increased mission accompaniment where it exists. This need should be considered within the Voice dialogue and acted upon promptly.

5.0 The Executive Directors' Offices at the World Bank

There are officially four Boards at the World Bank, one for each of the four institutions of the World Bank Group: the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA). The same EDs and Alternates serve on all four Boards as long as their appointing countries are members of the given institution.³³

The World Bank Board is in continuous session, but in practice meets on Tuesdays and Thursdays. On a given day, Board members may consider issues relating to any of the four World Bank Group institutions. The custom is to begin with consideration of IBRD and IDA issues on Tuesday mornings, followed by IFC or MIGA matters, and on Thursday mornings to begin with IFC business and continue later with IBRD and IDA considerations.

There are currently twenty-four Executive Directors, empowered by the Board of Governors under the Articles of Agreement to conduct the day-to-day business of the Bank.³⁴ Increasing the number of EDs' seats would require a vote of 80% of the Bank's shareholders. The last time there was a change in number of seats at the Board was in 1992, when two were added to accommodate the Russian Federation in a single seat and a new constituency group led by Switzerland.

Five Executive Directors are appointed by the five countries with the most shares: France, Germany, Japan, the United Kingdom and the United States. These EDs, like those at the Fund, can also be dismissed by their governments. This fact, and the high level of communication between the offices and governments, tends to enhance the political role these offices play.

The other nineteen EDs are elected by the remaining membership. These EDs serve a two year term unless something unforeseen occurs. Each ED appoints an Alternate vested with full power to act in their absence. EDs' offices serving more than one country establish their own systems for country allocation of ED and Alternate positions. Other personnel matters of the office are also determined internally by the office in question.

The Boards of the World Bank Group mostly consider papers written by Bank Group staffs. The Boards consider papers such as: Country Assistance Strategies (CASs); project and program documents such as Project Appraisal Documents or Poverty Reduction and Support Credit proposals; or investment proposals. Most of these papers undergo a peer review process before they reach the Board.

The Board calendar is updated regularly and available up to a month in advance. Full agendas for Board meetings are circulated at least one day before the scheduled meeting. Staff papers are sent out two to three weeks in advance.³⁵ EDs' offices make written statements reacting to paper coming to the Board, whether they represent the country or not, called "yellow sheets." These are supposed to

33 EDs and Alternates of the IBRD serve as the same *ex officio* for IDA and IFC as long as the appointing country is a member of the institution in question. MIGA EDs and Alternates are actually elected separately, but it is accepted practice that the same individuals take up the posts (again, as long as the appointing country is a member of MIGA).

34 The Board of Governors is required to meet only once a year, but customarily meets twice a year, at the Annual and Spring Meetings.

35 For example, PRSPs, CASs and Adjustment Lending Proposals are circulated fifteen working days in advance of scheduled Board meeting. HIPC papers are circulated ten working days before the scheduled meeting.

be circulated three days in advance, but are often not. Board Committees make statements on issues already discussed in Committee to facilitate a full Board discussion. These are called “greens” and are meant to be circulated three to four days before the scheduled Board meeting. The Chairman’s summary of Board discussions are made on white paper.

The President of the World Bank Group is the Chairman of the Boards.³⁶ Unlike Board procedures at the Fund, the Chair of the Bank Group Boards does not actively manage the dialogue of the Board. The Chair does not attempt to build consensus before Board meetings, but rather lets the Board members manage that themselves. In this way, Board members may have more potential for making their own voices heard at the Bank Boards, in absence of a previously established position.

Like the Fund Board, the Bank Boards take almost all decisions on the basis of consensus. Very rarely is an actual vote taken. In this way, Board members with less voting power than others can project more Voice with a well delivered presentation at the Board. On the other hand, since it is known a vote may always be taken at the request of any ED, more attention is most likely paid to the EDs with the higher percentages of the vote.

EDs also serve on up to two of five standing Committees: the Audit Committee, the Budget Committee, the Committee on Development Effectiveness (CODE), the Personnel Committee, and the Committee on Governance and Executive Directors’ Administrative Matters (COGAM). The Committees provide the EDs with venues to look at specific issues in more detail. COGAM is the committee charged with looking into Voice issues.

Committees are made up of eight EDs. The discussions of the Committees of the Bank Boards are somewhat more influential and less technical than at the Fund. Some Committees have discussions that only take place at the Committee level, which is not the case at the Fund, but, as with the Fund, many of the issues covered by Committees can be given equal, if not more, attention at the full Board.

The Boards have a Dean and a Co-Dean. The Dean is by custom the most senior serving ED. By custom, if the Dean is from a Part I country, the Co-Dean will be the most senior ED from a Part II country, and vice-a-versa. In an effort to maintain some balance in perspectives, the Dean and Co-Dean are also not to be from the same region. The Dean Chairs the Boards’ Steering Committee. The remaining membership of the Steering Committee is composed of the Co-Dean and the five Chairs of the Committees. The Steering Committee is an informal committee that plays a coordinating role for the Committees and also an oversight role to ensure accepted Board procedures are followed.

The Bank EDs’ offices tend to have a greater work load than those at the Fund and in general have more staff. The work load at the Bank Board is greater simply because the Bank is more active as an institution than the Fund. More Bank staffs are working on more issues and going on more missions in member countries, meaning more activity for EDs’ offices to keep up with.

Acting as broker between Bank staff and represented governments is one key role the EDs’ offices play. They do this is by facilitating smoother communication between staff and government, providing support to visiting officials from represented countries, and accompanying governments during important missions where they are able.

As with the Fund, EDs’ office staffs are corporate officers of the Bank, with their salaries paid by the

³⁶ In his absence, one of the Managing Directors may take his place.

Bank. EDs' office staffs have an overall responsibility toward the Bank's institutions, yet their appointments are political - they are expected to represent the interests of their governments wherever possible. As a result, there is lack of clarity as to whom EDs and their staff are most accountable.

5.1 Capacity of the EDs' Offices

African constituency offices have significant work load problems. This is not surprising. The ED's office representing most of Anglophone sub-Saharan Africa represents twenty-two countries. The office representing Francophone sub-Saharan Africa represents even more – twenty-four. Both of these offices have recently been given an allocation for extra staff and this has eased the load to some extent. These new staffs have not been allocated extra resources, however, so that extra mission accompaniment capacity is not available. One ED for more than twenty countries is still a pressing matter.

Compare this to one of the most capacitated offices – the US ED's office. This office regularly arranges and accompanies meetings for US civil servants. Its presence in Washington obviously makes a difference, but it goes beyond geography. The US Bank ED's office is purely outward looking, with two or three staffs dedicated to procurement. It has the leisure to consider what the Bank is doing anywhere it takes an interest. Civil servants working on countries or issues related to Bank operations have access to Bank staff that no other office has. The fact that it is the most powerful office also weighs in. Bank staff will make time and listen more attentively. The contrast of the capacity of this office and either of the sub-Saharan African offices is striking.

The development of a detailed comparison of capacities of different EDs' offices is essential in informing this aspect of the Voice dialogue. As in the previous section, we suggest that the first step in making this comparison would be for all EDs' offices to detail their tasks, responsibilities and activities. While the imbalances in capacity are well known, this exercise would make the differences clearer and help identify ways to further improve the balance in capacity across offices.

Over the past year and a half, the Anglophone African ED's office has undertaken a review of many of its working procedures. The office is putting measures into place that address many of these problems. It will be interesting to see how this eases their workload and improves their performance and articulation of their Voice.³⁷

The issue of capacity is not confined to EDs' offices; there are also serious capacity constraints in home governments. Southern governments need to make substantive contributions to this Voice debate, by identifying the significance they assign to the role of EDs' offices, and how they propose to address the issue.

Appropriate Bank staff and EDs' office staffs on upcoming missions could discuss the issue of Voice with governments. These discussions should include CSOs and others as Voice is an issue of concern to them as well. These local views should be incorporated into discussions taking place in Washington.

³⁷ The Fund Anglophone African ED office is also taking on board the findings of this review.

Recommendations:

- All EDs' offices should prepare a note of their responsibilities and activities, and indicate where they feel they fall short, or not, in their capacity to meet them. These notes should be considered as a priority within the Voice dialogue.
- Bank and EDs' office staffs should extend the Voice dialogue to the country level. Discussions should include not only governments, but CSOs and others where possible.
- A strategy to include views from borrowing countries should be developed and acted upon immediately. Progress should be reported to the Development Committee at the 2005 Spring Meetings.

5.2 Voice on Local Bank Issues

It should be noted here that EDs representing countries under consideration for a specific lending operation or investment are expected not to speak up at Board meetings. This means that, in the case of sub-Saharan Africa, when a PRSC comes to the Board there is only one ED from the entire region that is officially allowed to speak to the proposal. When it comes to matters specifically linked to one's own country, Voice is constrained most. While reportedly in practice this custom is no longer adhered to, it is referred to as accepted practice in the handbook made available to EDs and their staff. If it truly is no longer expected practice, it should be made officially known.

EDs are, however, given full freedom to speak to the Country Assistance Strategies (CASs). So it is at the CAS level where EDs could make their voices heard related to lending operations and investments in the country they represent. Borrowing countries concerned with their Voice deficit should pay special attention to the CAS process. It may be that a new committee, or perhaps a sub-committee, should be formed to give special attention to CASs and other lending operations of interest coming to the Board. In this way, more Board attention would be paid to CASs, and the borrowing country ED could speak to specific lending operations at the committee level.³⁸

Recommendation:

- Voice-constrained EDs' offices and others looking at the Voice issue should consider how borrowing country Voice can be articulated more powerfully at the CAS level.

5.3 Communication

Everyone polled agreed, although in varying degrees, that there could be better communication between EDs' offices outside of Board proceedings, as well as between EDs' offices and World Bank staff and management. There were several common examples given of where communication has tended to break down.

A common problem is the manner in which EDs' offices raise contentious issues concerning a country paper. Sometimes this may be done in writing – but often not early enough to provide time for the representing ED's office to prepare and address the issue adequately. Communication between some multi-constituency EDs' offices and the governments they represent is difficult – challenged by capacity issues in country as well as logistics. Unfortunately, these issues are not always raised in writing, so there is no chance for the representing office to consult governments for a

³⁸ CODE currently looks at CASs, but it is hard to imagine CODE can give the attention needed to such an important document given all the other issues it follows.

response. This practice does not contribute to productive Board proceedings and is generally considered poor conduct. Certainly there may be difficult exchanges at the Board. That is to be expected wherever different opinions prevail, but these exchanges should be informed from the country governments in question, so as to contribute to the productivity of the dialogue at the Board.

Some EDs' office staffs also commented that it would be helpful to know more about interaction between staffs of other EDs' offices and Bank staffs that work on the countries they represent at the Board. There are varying amounts of exchanges between Bank staffs and non-representing EDs' office staffs (directly or a facilitated exchange between Bank staffs and civil servants). Some of this exchange might be information gathering on the part of the ED's office or civil servant, but some of it is also lobbying on country programming. It would be helpful for staffs of EDs' offices representing the countries being discussed to know about these exchanges – if only that they are occurring.

Finally, there is the interaction between Bank staffs and the member government. Bank staffs inform EDs of planned missions and share with them Bank correspondence with governments. Even so, a number of EDs' office staffs interviewed commented that they did not feel well informed in this area. It would not be surprising if, in an office representing over twenty countries, internal communication systems slipped up occasionally. In many cases, the Advisors tasked with working on specific member countries are not as well informed as they should be, even if the ED is. This problem, while similar to the case of the Fund, is amplified because there is more communication and Bank missions with which to keep up. This would seem a rather simple problem to correct internally within EDs' offices.

More broadly, the important role of Senior Advisors and Advisors needs to be given more attention. Advisors should, perhaps, be copied in on more communication as a matter of course. Advisors would also benefit from more regular communication amongst themselves. EDs have regular teas, supported centrally by the Bank. Advisors may like to consider having similar, regular events, where they can share views. If Advisors feel this would be useful, the formal systems supporting Board operations should extend their support to such events.

Recommendations:

- If an ED's office has something contentious to say about a paper coming to the Board, it should do so writing at least two days prior to the Board meeting. Raising concerns informally through a meeting or other communication before resorting to a written statement should be reinforced as best practice.
- EDs' offices should consider producing and sharing weekly agendas.
- Country teams should offer to meet with EDs' offices prior to mission to discuss issues of concern. Some better protocol concerning communication between staffs and EDs' offices should be developed.
- Internally, EDs' offices should ensure that correspondence sent to EDs is circulated appropriately within the office.
- The role of Senior Advisors and Advisors should be given special attention. Providing them copies of all relevant correspondence should be considered, and mechanisms for more structured and supported Advisor interaction should be discussed (Advisor Teas).

5.4 Recruitment

As with the Fund, ensuring appropriate recruitment of EDs and their staff is an important issue to

examine. Given the potential trade-off between capacity at home and capacity at the Bank, the dialogue concerning this issue should be taken up between EDs' offices and member governments. Southern governments need to assess for themselves how important their Voice at the Bank is. If it is determined to be important enough, options for improvement should be discussed. Placement in EDs' offices should be firmly placed within a career track for civil servants. Experience in EDs' offices should be considered as an asset to work at home and returning staff should have attractive positions waiting for them. Given that short-term secondments to the institutions is being considered in the context of the Voice dialogue, borrowing governments should also give this special consideration as another way to attain local expertise on the work of the institutions.

Improved personnel procedures is one immediate way to address this aspect of the Voice deficit. Clear and transparent job descriptions and person specifications for EDs, Alternates, Senior Advisor and Advisor positions should be drawn up and shared between EDs' offices. Those offices that have already taken such measures should immediately share their material with other EDs' offices. The Bank's Personnel Department should assist in this process. Improved personnel procedures should be considered in the Voice dialogue and the appropriate approach should be identified and pursued as soon as possible.

Recommendation:

- Better recruitment and personnel procedures should be considered and acted upon as soon as possible. This process should be supported from the center.

5.5 Training and Induction

As with the Fund, the need for better training, induction and hand-over was also identified by the Bank EDs' offices we polled. New Advisors we spoke to found an induction seminar organized in January 2004 by a few Advisors to be very helpful, for example. However, this seminar only took place because a few individuals undertook the task of organizing it. This type of training exercise should be facilitated centrally by the Bank, as it is for EDs. The formal induction of EDs is a supported process at the Bank. While this may be a more difficult process to support for Advisors given there are far more of them taking up positions more randomly, efforts should be made regardless.

Many ideas concerning enhanced training procedures are circulating thanks in part to the dialogue around Voice. One African ED's office has adopted a shadowing technique for new Advisors. This approach has proved particularly helpful and should be considered by other offices.

Improved personnel procedures would also be helpful in this area. Training packs, job descriptions, person specifications, enhanced language and presentation training are all needed at the Bank EDs' offices. The issue of training should be explicitly included in the dialogue around Voice and steps should be agreed upon and pursued as identified.

Recommendations:

- EDs' offices should, as part of their overall personnel agenda, put together a training pack for incoming staffs. The Personnel Committee and the Bank's Personnel Department should work together to assist in this.
- Measures should be considered to ensure EDs' office staff induction seminars are organized as needed, with the appropriate level of support from the Bank.

- Ideas for better training should be discussed between EDs' office staffs. Many have good ideas that should be shared and adopted. The idea of Fund staff secondment to EDs' offices for short periods of time should be considered in the context of the Bank. The example of Advisor shadowing should also be given special attention.

5.6 Language

Those speaking English as a second language are occasionally overwhelmed at the World Bank EDs' offices. These positions depend so much on networking and presentation skills that it takes some incoming Advisors in the offices more than six months to feel comfortable enough to speak at the Board. Those who do speak English as a first language cited language problems for others as a significant impediment to effective Voice.

Recommendation:

- The Bank should provide and actively promote better English and presentation training to incoming EDs and their staffs.

5.7 Prioritization and Delegation

Offices facing Voice deficits should, as a priority, ensure they are using their present capacity as effectively as possible. Preparing written statements on much of what comes to the Boards may not be essential. Energy should perhaps be focused on other functions of the offices. Representing their members should take the first priority.

Of course, these offices should not be expected to give up the ultimate goal of having the same capacity as single constituency offices. For the Board to achieve some sense of balance in its representation, under-capacitated offices must be supported and allowed more time to deliberate on policy issues rather than only serving their constituency. Extra staff is one small measure that can be taken, and has been in the case of the two sub-Saharan African EDs' offices. Still more needs to be done to support less capacitated offices to adequately address this problem.

Better use of delegation would also go some way to addressing capacity constraints in some offices experiencing Voice deficits. Advisors make up the bulk of the staff in EDs' offices and their importance is widely recognized. Wherever possible, Advisors should be empowered to represent their countries as effectively as possible, and increased delegation by EDs may assist in this.

Some Advisors we consulted felt that the use of ED-only sessions at the Board undermined their ability to do their work effectively. This issue should be addressed in reviews of EDs' office responsibilities and activities. Ideas for more effective prioritization and delegation should also be considered in these reviews.

Recommendations:

- EDs' offices should consider the usefulness of current activities in reviews of current EDs' office responsibilities and activities, with a view to prioritizing the most effective activities. This should not, however, distract from the need for more support for these offices.
- Where appropriate, more responsibilities should be delegated to Advisors, to enhance overall office capacity.

5.8 Country Level Support

The mixed constituency and African constituency EDs' offices consider themselves unable to provide the amount of support they felt was needed related to Bank missions. This problem is greater at the Bank than at the Fund because there are many more missions. Most Bank missions occur without participation by EDs' office staffs.

EDs' offices should consider what types of Bank missions they feel have priority for their attention, and the nature of the attention needed should be identified. This could be done during the review of office responsibilities and activities. A useful approach might be to tally up all the Bank missions to represented countries over the past year and consider these specifically, examining the roles EDs' office staffs feel they should have been able to play more effectively.

Where there are particular communication problems between the Bank and government, the role of the EDs' offices as a broker is more significant, and offices should have the ability to increase their support as needed. As with the Fund, relationships between Bank staffs and government are more likely to be problematic in countries that are represented by multi-constituency EDs' offices, given the increased level of Bank activity in these countries. As a result, more support from EDs' offices is needed where there is typically less capacity to provide it. This issue should be given attention in the EDs' office reviews of responsibilities and activities.

Recommendation:

- Multi-constituency EDs' offices' reviews should point out the need for increased mission accompaniment where it exists. This need should be considered within the Voice dialogue and acted upon promptly.

5.9 Conclusion

Everyone consulted at the Bank about the Voice issue had interesting ideas as to how to address Voice deficits. In fact, in general, the issues surrounding the Voice debate seem to be getting a little more attention at the Bank than the Fund. However, like at the Fund, staffs of the institution and in the EDs' offices indicated that they would benefit from gathering together and sharing ideas informally. Therefore, we again suggest that interested staffs come together for informal, internal workshops on the Voice issue.

Summary of Recommendations Regarding the Executive Directors' Offices at the Bank:

Capacity of EDs' Offices

- All EDs' offices should prepare a note of their responsibilities and activities, and indicate where they feel they fall short, or not, in their capacity to meet them. These notes should be considered as a priority within the Voice dialogue.
- Bank and EDs' office staffs should extend the Voice dialogue to the country level. Discussions should include not only governments, but CSOs and others where possible.
- A strategy to include views from borrowing countries should be developed and acted upon immediately. Progress should be reported to the Development Committee at the 2005 Spring Meetings.

Voice on Local Bank Issues

- Voice-constrained EDs' offices and others looking at the Voice issue should consider how borrowing country Voice can be articulated more powerfully at the CAS level.

Communication

- If an ED's office has something contentious to say about a paper coming to the Board, it should do so writing at least two days prior to the Board meeting. Raising concerns informally through a meeting or other communication before resorting to a written statement should be reinforced as best practice.
- EDs' offices should consider producing and sharing weekly agendas.
- Country teams should offer to meet with EDs' offices prior to mission to discuss issues of concern. Some better protocol concerning communication between staffs and EDs' offices should be developed.
- Internally, EDs' offices should ensure that correspondence sent to EDs is circulated appropriately within the office.
- The role of Senior Advisors and Advisors should be given special attention. Providing them copies of all relevant correspondence should be considered, and mechanisms for more structured and supported Advisor interaction should be discussed (Advisor Teas).

Recruitment

- Better recruitment and personnel procedures should be considered and acted upon as soon as possible. This process should be supported from the center.

Training and Induction

- EDs' offices should, as part of their overall personnel agenda, put together a training pack for incoming staffs. The Personnel Committee and the Bank's Personnel Department should work together to assist in this.
- Measures should be considered to ensure EDs' office staff induction seminars are organized as needed, with the appropriate level of support from the Bank.
- Ideas for better training should be discussed between EDs' office staffs. Many have good ideas that should be shared and adopted. The idea of Fund staff secondment to EDs' offices for short periods of time should be considered in the context of the Bank. The example of Advisor shadowing should also be given special attention.

Language

- The Bank should provide and actively promote better English and presentation training to incoming EDs and their staffs.

Prioritization and Delegation

- EDs' offices should consider the usefulness of current activities in reviews of current EDs' office responsibilities and activities, with a view to prioritizing the most effective activities. This should not, however, distract from the need for more support for these offices.
- Where appropriate, more responsibilities should be delegated to Advisors, to enhance overall office capacity.

Country Level Support

- Multi-constituency EDs' offices' reviews should point out the need for increased mission accompaniment where it exists. This need should be considered within the Voice dialogue and acted upon promptly.

6.0 Common Voice Concerns at Fund and Bank EDs' Offices

Much of what we have heard regarding Voice deficits at the Fund and Bank were similar. Individuals consulted discussed the key constraints of the voting structures at both IFIs, the compositions of seats at the Boards, and institutional culture being more in tune with Part I country positions than Part II country ones. All interviewees also pointed to serious constraints within EDs' offices with Voice deficits, be they composed of Part II countries only or mixed constituency offices, and especially when compared to single constituency ones. There was also almost unanimous concern regarding communication problems within the EDs' offices as a group.

6.1 Capacity Constraints

Among staff consulted there is agreement that the sub-Saharan African EDs' offices are under capacitated. There is also recognition of the imbalance between the capacity of single constituency offices and mixed constituency ones. While some measures have been taken to address the constraints in sub-Saharan African EDs' offices, comparisons of capacity across offices reveal there is still much to do. A good start would be for all EDs' offices to make a note of their tasks, responsibilities and activities and identify where they feel they are constrained in achieving them. Elements of capacity constraints could be made apparent through an exercise comparing capacity across the board.

6.2 Communication Problems

In some ways, EDs' offices staffs interviewed felt procedures at the Boards were overly formal, yet they also identified substantial gaps in the professional, formal procedures that exist – a serious concern in institutions that are so influential. So much of significance relies on personalities and networking. While there is a danger of over-formalizing and mandating procedural conduct, a balance must be struck. Improved communication between EDs' offices and between EDs' offices and the staffs of the Fund and Bank would assist in addressing this issue. Sharing weekly agendas internally between EDs' offices could be one way to improve communication across offices. The problem of communication between IFI staffs and EDs' office staffs may be solved by methods as simple as copying in Advisors on communications sent to EDs.

6.3 Recruitment, Training and Language

Less-than-rigorous recruitment procedures, and the way this affects overall efficiency of EDs' offices, was identified as a concern by staff consulted. Lack of training and basic understanding of the role of EDs' offices and their staffs was also mentioned repeatedly. Those interviewed that spoke English as a second language mentioned the need for better language skills and training to do their jobs more effectively.

6.4 Capacity at the Country Level

The capacity issue rests not only with EDs' offices, but also with some governments. The resources Part I countries have compared to Part II countries is recognized as a serious issue. While little can be done about this problem in the medium term, improvement in communication between EDs' offices and enhanced training could help tip the scales a little more towards the offices with Voice

deficits. More regular use of secondments, of IFI staffs to EDs' offices and from borrowing governments to the IFIs, would also be beneficial.

6.5 Current Efforts Need to be Redoubled

The Bank Board's COGAM has identified areas where work is underway, or has been completed. It has also identified that the important issue of structural changes of the Boards needs further consensus building and political momentum.

There are areas that have either slipped off the work program, not been taken on board or are not being progressed upon in a timely fashion. Many of those are the ones we identify in the two previous sections of this paper. Measures have been taken to support the sub-Saharan African EDs' offices. A learning program is being prepared for EDs' office staffs which may satisfy some of our recommendations. Pursuing the personnel issues is seen as potentially sensitive, but need not be. Most individuals we consulted felt that more could be done centrally, and more quickly.

Finally, while the Voice issue is something many staffs in EDs' offices at the Bank and Fund are thinking about, there have been few occasions for staffs of EDs' offices and the institutions to share ideas and develop new ones together. We have recommended that each institution hold a Voice workshop. This could be followed by a joint workshop, since so many concerns are common to both institutions. Workshops could provide the space for those who have not expressed their voices to be heard. It would also provide an open process where some of the sensitive issues could be aired and treated productively. The findings of these workshops, however, should be shared externally. The next logical step would be to hold an external workshop.

There is a certain malaise in the Voice dialogue. An issue where interested people felt they could promote progress has proven to be far more difficult than expected. Mr. Manuel's recommendation to establish an Eminent Persons' Group should be acted upon. This Group could not only set upon an agenda to tackle the difficult structural issues, but explore the more immediate measures that have not received enough attention. The Voice workshops, mentioned above, might be a helpful way to set such a group to its tasks. While we recommend that the first set of workshops be internal, once the real work of such a Group started, CSO involvement would be needed.

Recommendations:

- All EDs' offices should prepare notes of their responsibilities and activities, indicating where they experience capacity constraints. Notes from the Fund and Bank offices should be shared and considered as a priority within the Voice dialogue.
- Communications problems between EDs' offices and between EDs' offices and IFI staffs should be identified and rectified.
- While personnel and training measures will be different at Fund and Bank EDs' offices, efforts should be made to coordinate this work and ensure it is mutually re-enforcing.
- After each institution has held its own Voice workshop, the Fund and Bank should hold a joint workshop to discuss the Voice issue. As at previous workshops, perhaps a day could be given over to discussing the longer term issues such as voting and seats at the Board. A second day should identify immediate measures that could be taken to address Voice deficits.
- This internal dialogue should be considered the entry point for the Eminent Persons' Group, or similar body. Once such a Group has begun its work, however, CSO involvement should be considered a priority.

7.0 Next Steps

The increased attention being given to Voice and governance issues at the institutions is encouraging. While some work is being done to address the issue of Voice rather effectively, we face a bit of an impasse in that reconfigurations of the Boards seem unwieldy and changes to the voting structures anytime soon unlikely. While reform of the voting structure is essential, this paper presents several areas where much could be accomplished in the short or medium term.

We have identified practical ways to enhance the Voice of poorer countries at the EDs' offices responsible for conducting the daily business of the Boards of the institutions. Many of these recommendations involve using present capacity more effectively through improved communication, recruitment procedures, induction and support in building language and presentation skills.

All of our recommendations have arisen from dialogues with EDs' office staffs. The consultations with staff for this review included a relatively small percentage of staffs working at the EDs' offices. Internal workshops, where more staff could gather and share ideas, could reveal new approaches and recommendations. This would seem a logical next step for the institutions – to capitalize on the knowledge and skills of those working in the EDs' offices and at the institutions.

We have identified some more medium term measures that could be given an immediate start, and that would go a long way toward improving Voice beyond the Boards of the institutions. These include increased transparency and inclusion at the country programming level, and better use of, and broader participation in, impact assessments.

While there is a certain malaise at the institutions regarding progress on the Voice issue, there is still much currently being done that could be built upon, especially with more transparency in the work and CSO involvement.

We have not mentioned here all the options being examined and work being conducted at the IFIs on the Voice issue. CSO involvement should be considered in all this work and more information should be made publicly available.

Below we restate most of the recommendations contained throughout the paper. They are organized so as to clearly identify 1) measures that should be taken to move forward in the Voice dialogue, to broaden the dialogue, and to take immediately to enhance Voice at the Fund and the Bank EDs' offices, and 2) measures to enhance transparency and promote ownership.

At the Social Justice Committee, our commitment to reform of voice at the institutions will continue. Next steps for our consideration of the Voice issue will include:

- a closer look at our own country's EDs' offices (Canada);
- CSO networking and capacity sharing within this constituency;
- work to make PSIA and other impact assessments more productive, transparent and inclusive; and
- following up on the recommendations we make in this paper.

8.0 Recommendations

To Move the Dialogue Forward

- The political leadership of the IFIs should take up Mr. Manuel's recommendation to establish an Eminent Persons' Group. The Group should have the support it needs to conduct the full breadth of the work needed to address the many aspects of the Voice issue, including those we identify in this paper. Civil society involvement in and transparency of the work of the Group would be highly desirable.

To Broaden the Voice Dialogue

- IFI and EDs' office staff should extend the Voice dialogue to the country-level. Discussions should include not only governments, but also CSOs and others.
- Efforts to include local views should be underway as soon as possible and preliminary findings regarding local Voice priorities should be presented at the 2005 Spring Meetings.

Immediate Measures to be Taken to Enhance the Voice of the EDs' Offices

The Capacity of EDs' Offices

- To better identify capacity constraints across the board, all EDs' offices should prepare a note of their responsibilities and activities, and indicate where they feel they fall short, or not, in their capacity to meet them. These notes should be considered as a priority within the Voice dialogue.

Communication

- ED's offices should explore ways to communicate more effectively and timely. Measures could include improving informal interactions and making written statements available earlier.
- Centrally supported opportunities for regular, group face-to-face interaction, such as Advisor Teas, should be considered and pursued within the context of the Voice dialogue.
- EDs' offices should produce and share weekly agendas.
- Measures should be taken to ensure all information sent to EDs by staffs is circulated appropriately within the office.

Recruitment

- Improved recruitment and personnel procedures should be developed and implemented as soon as possible.

Training

- EDs' offices should, as part of their overall personnel agenda, put together training packs for incoming staffs. The IFI Personnel Departments should assist in this.
- Ideas for better training should be discussed between EDs' office staffs. Many have good ideas that should be shared and adopted. The ideas of staff secondment to EDs' offices for short periods of time and Advisor shadowing should be explored further.

Language

- The IFIs should provide and actively promote better English and presentation training to incoming EDs' office staffs.

Prioritization and Delegation

- EDs' offices should consider usefulness of current activities in reviews of office responsibilities, with a view to prioritizing the most effective activities.
- Where appropriate, more responsibilities should be delegated to Advisors, to enhance overall office capacity.

Country Level Support

- Multi-constituency EDs' offices' reviews should point out the need for increased mission accompaniment where it exists. This need should be considered within the Voice dialogue and acted upon promptly.

Measures to Enhance Transparency

- The IMF should post its agendas further ahead, and include paper summaries and issues for discussion. The goal should be to disclose full papers prior to Board discussions.
- As a first step, the IMF should post thorough minutes of Board discussions and other Board documentation after one year. The goal should be to post them as soon as possible after Board discussions in the near future.
- The Bank should update posted Board agendas more regularly and include paper summaries and issues for discussion with the agenda. The goal should be to disclose full papers prior to Board discussions.
- As a first step, the Bank should post thorough Board minutes and other Board documentation after one year. The goal should be to post them as soon as possible after Board discussions in the near future.
- Information disclosure policy at both institutions should be revisited in the context of enhancing Voice in the governance and operations of the IMF and World Bank.
- Proposals concerning further disclosure of Board proceedings and documents considered by the Boards should be presented to the Development Committee in April 2005.

Measures to Promote Ownership

In Fund Programming

- PRGFs should be discussed and designed in a transparent and inclusive manner, as part of the PRS process.
- PRGF missions should publicize their arrival, explain their purpose, and provide time to meet with CSOs and others at the beginning and end of their missions.
- At the beginning of the programming cycle, the Fund should prepare and make publicly available a rationale statement, containing the core, current policy advice to governments.

In Bank Programming

- CASs and specific projects and programs should be prepared in a transparent and inclusive manner, as part of the PRS process.
- CAS and other Bank missions should publicize their arrival, explain their purpose and provide time to meet with CSOs and others at the beginning and end of the missions.
- Before program or project negotiations begin, the Bank should prepare and make publicly available rationale statements, containing the core, current policy and sectoral advice the Bank is providing to governments.

Through Impact Assessments

- The need for PSIAs, other impact assessments and evaluations should be determined inclusively and transparently.
- The assessments and evaluations should then be conducted and findings acted upon where needed with the same inclusiveness and transparency.