

World Bank Governors Approve Governance Reforms, Adding Board Seat for Africa

WASHINGTON, February 11, 2009. The World Bank's Board of Governors has approved a first phase of reforms to increase the influence of developing countries within the World Bank Group, including adding a seat for Sub-Saharan Africa to allow developing countries a majority of seats on the Executive Board, and expanding voting and capital shares.

Expanding the developing world's voice is central to delivering effective aid and promoting shared prosperity and development within a 21st Century economic reality, said World Bank Group President Robert B. Zoellick. Adding another seat for Africa, reaching developing country majority on the Board, expanding developing country shares and laying the groundwork for further reforms represent real change. I'm pleased our reform process is on track. I encourage shareholders to take action now on governmental approvals of the voting share changes, and to continue their efforts at further, more ambitious, reforms.

These reforms were initially agreed at the World Bank Group's Annual Meetings in October 2008, ahead of the spring 2009 target. With the Governors' approval, the amendment to the Bank's Articles of Agreement to increase basic votes, which benefit smaller shareholders, now moves to the 185 member countries for final approval. In order to take effect the amendment must be approved by 3/5 of member countries with 85% of votes.

Specifically, this package of reforms:

- Creates an additional Chair at the Board for Sub-Saharan Africa, which means that developing countries can have the majority of seats on the Bank's Board;
- Brings the share of developing countries in Bank voting power to 44%, aimed in particular at adding voice for the low income countries.

As a second step, shareholders have agreed that the Bank should undertake a comprehensive and intensive work program to realign bank shareholdings, moving towards an equitable voting power between developed and developing countries.

Such a work program would also include voice reforms at the Bank's affiliated member organization, the International Finance Corporation (IFC). Work on the second phase is already underway.

Participation of developing countries' nationals in the staff and management of the World Bank plays an important role in the voice reform. Already nearly two thirds of Bank staff and 42 % of all Bank managers are from developing countries. Since Zoellick became World Bank Group President, 7 of his 9 senior appointments have been from developing countries.