



The World Bank

Establishment: Dec. 27, 1945 (as the International Bank for Reconstruction and Development - IBRD)

Chief Executive: Jim Yong Kim was appointed on March 23, 2012 and took office on July 1, 2012 for a five-year term.

Member States: 188 member countries

Areas of Work: The World Bank aims to reduce poverty and support economical development through inclusive and sustainable globalization

Areas of Cooperation with the OAS: Sustainable development and regional integration

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BACKGROUND

The World Bank was created in 1944 during the United Nations Monetary and Financial Conference (Bretton Woods, 1944), through the International Bank for Reconstruction and Development (IBRD) Articles of Agreement. Its original intent was to help Europe rebuild after the devastating impact of the Second World War. This Agreement has been amended twice over the past seven decades; first in 1965 and then in 1989.

The World Bank has grown considerably since it first authorized a loan to France of \$250 million in 1947, remaining through the years an indispensable partner for many reconstruction projects in cases of natural disasters, humanitarian emergencies, and post conflict rehabilitation for emerging and developing countries, in addition to placing greater focus on poverty reduction.

OBJECTIVES

The World Bank primarily aims to reduce poverty and support economic development through inclusive and sustainable globalization. The Bank manages a net administrative budget of US\$1,823.3 million to be managed within a range of +/- 2 percent in order to ensure the Bank can achieve its objectives. The

World Bank has a variety of objectives and principles that guide its decision-making policy; its most emblematic achievements to date have made it:

- The world's largest funder of education
- The world's largest external funder of the fight against HIV/AIDS
- A leader in the fight against corruption worldwide
- A strong supporter of debt relief
- The largest international financier of biodiversity projects
- The largest international financier of water supply and sanitation projects

In order to reduce poverty, the Bank has put in place six strategic themes which serve as a guideline and focus on the poorest countries, fragile and conflict-affected states, the Arab world, middle-income countries, global public goods issues, and delivery of knowledge and learning services. Moreover, the organization supports developing countries through policy advice, research and analysis, and technical assistance.

CHIEF EXECUTIVE



Jim Yong Kim

Dr. Yong Kim is a Korean-American physician. Before being appointed Chief executive of the World Bank, he served as President of Dartmouth College, since March of 2009, becoming the first Asian-American president of an Ivy League Institution. He served as Chair of the Department of Global Health and Social Medicine at Harvard Medical School, and was a co-founder and the executive director of *Partners in Health* a non-profit health care organization dedicated in prevention by establishing long-term partnerships with local organizations.

Throughout his career, Dr. Kim has been awarded multiple prestigious awards and distinctions. Among them, he received the MacArthur "Genius" Fellowship (2003), was named one of America's "25 Best Leaders" by US News & World Report (2005), and was selected as one of TIME magazine's "100 Most Influential People in the World" (2006).

Dr. Jim Yong Kim graduated *magna cum laude* from Brown University with an A.B. in 1982. He obtained an M.D. from Harvard Medical School in 1991, and a PhD from Harvard University, Department of Anthropology, in 1993.

GOVERNING BODIES

The Bank is divided into three main governance bodies, namely: The Board of Governors, The Executive Board, and The Development Committees.

1. THE BOARD OF GOVERNORS

The Board of Governors is the supreme body of the Bank. It is composed of one governor and one alternate governor for each member country. These positions are normally held by the minister of finance, the head of the central bank or a high-ranked official.

A representative from a country which is a member International Finance Corporation (IFC) or the International Development Association (IDA), may serve as *de facto* Governor and Alternate on the IFC and IDA Boards of Governors. In addition, these Governors are typically appointed to the Administrative Council of the International Center for Settlement of Investment Disputes (ICSID). It must be noted that Multilateral Investment Guarantee Agency (MIGA) Governors and Alternates are appointed under a different process.

The Board of Governors holds all powers of the Bank, some of which are delegated to the Executive Directors. Powers that may not be delegated include:

- Admission and suspension of members;
- Increase or decrease of the authorized capital stock;
- Distribution of the net income of the Bank;
- Deciding on appeals from interpretations of the Articles of Agreement by the Executive Directors;
- Making formal comprehensive arrangements to cooperate with other international organizations
- Ceasing the operations of the Bank;
- Increasing the number of elected Executive Directors; and
- Approving amendments to the Articles of Agreement

2. THE BOARD OF DIRECTORS

The Board is composed of the President of the World Bank and 25 elected Executive Directors. Every country that is granted a membership is allocated 250 votes and an additional vote for each share of the capital stock it subscribes. The President of the Bank serves as Chairman of the Board and does not hold a vote, unless there is a tie, in which case the President may cast the decisive vote. The Directors meet periodically to manage and supervise the Bank's business; these meetings are an opportunity to discuss loan approvals and guarantees, new policies, the administrative budget, country assistance strategies and borrowing and financial decisions.

Five Executive Directors are appointed by the five largest subscribers of shares, namely the United States, Japan, Germany, France and the United Kingdom. Next, China, the Russian Federation, and Saudi Arabia are entitled to each appoint their own Executive Director. Afterwards, the remaining Executive Directors are elected by the other Member States according to their quota. The number of votes allotted to each country may differ from one agency to another within the World Bank Group.

Within the Board of Directors there is a Corporate Secretariat whose mandate is to manage the process for Member States periodical capital increase in IBRD, IDA, IFC and MIGA. The Corporate Secretariat may be considered as an advisor to countries on the due procedures for subscribing additional shares "as authorized under resolutions approved by the Boards of Governors, including required documentation and capital subscriptions payments".

3. THE DEVELOPMENT COMMITTEE

Formerly known as the Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries, the Development Committee was created in

1974 as a ministerial-level forum of the World Bank Group and the IMF, where intergovernmental discussions can take place in order to reach consensus on development matters.

This Committee's purpose is to advise the Boards of Governors of the Bank and the Fund on complex issues about development and financial resources required to support and sustain economic growth and development in countries in need. It is composed of 25 members that are typically Ministers of Finance or Development. They 25 members must always represent the interest of all Member States of the Bank and the IMF.

In order to fulfill its mandate, the Committee convenes on a bi-annual base; in the spring and in the fall. The fall reunion is held at the same time as the joint Bank-IMF Annual Meetings. The Chairman, the President of the Bank, the Managing Director of the Fund, and the Executive Boards of the Bank and Fund are entitled to recommend topics of discussion that will be on the agenda of the meetings. Usually, the President of the Bank is asked to propose matters of discussion that he considers require a particular address by the Governors.

ANNUAL AND SPRING MEETINGS

The Boards of Governors of the World Bank Group and International Monetary Fund (IMF) hold a meeting convened every autumn, known as the Annual Meetings. These Meetings are an opportunity to converse and exchange on matters impacting the global economy. More specifically, themes such as poverty reduction, international economic development and finance are addressed. These meetings are viewed by the representatives as an excellent occasion to strengthen international cooperation in order to provide enhanced ways to accomplish their respective mandates.

Traditionally, the Meetings are held for two consecutive years in Washington D.C. and in another Members States city for the third year. Also, the Development Committee and the International Monetary and Financial Committee (IMFC) meetings are held at the same time. The Development Committee and the IMFC's role is to make recommendation and advise the Boards of Governors on matters that have a global outreach such as the world economic outlook, poverty eradication, economic development, and aid efficiency.

Complementary to these meetings, fora are held to enable to participation of governments and World Bank-IMF staff with civil society organizations, journalists, private sector executives, academics and representatives of other international organizations. This creates an opportunity for different actors to be directly involved and to ensure a better diffusion of the activities, challenges and achievements of both institutions.

INSTITUTIONAL REFORM

The World Bank Group is undertaking considerable reforms which include:

- **Increasing Transparency and Access to Information**
The Bank offers a increasing range of free, easy-to-access tools, research and knowledge to address the world's development challenges. The Access to Information Policy -- which took effect July 1, 2010 -- greatly, expands opportunities for the Bank to share its global

knowledge and to enhance the quality of its operations by providing more information about its projects and programs.

- **Increasing Voice and Participation of Developing Countries**
Reforming to augment the voice and representation of developing and transition countries in the Bank Group, with an additional Board seat for Sub-Saharan Africa and an increase in the voting power of developing countries to at least 50 percent over time.
- **Promoting Accountability and Good Governance**
Governance and anti-corruption are now key elements in Bank operations across sectors and countries, with lending in public sector governance comprising approximately \$5.7 billion in FY10 and \$4.5 million in FY11.
- **Improving Risk Management**
A major effort is underway to reform the Bank's investment lending model so that it responds better to borrowers' needs and a changing global environment. The new approach calls for more focus on results and risks; and streamlined processing of low risk operations while paying more attention to supervision and higher risk investments.
- **Reviewing Internal Governance**
The report sets out proposals for strengthening World Bank Group governance and overall effectiveness, including voice and participation.

THE WORLD BANK GROUP

In addition to the World Bank, the World Bank Group includes four organizations; each with its own specific mandate:



The International Bank for Reconstruction and Development (IBRD) aims to reduce poverty in middle-income and creditworthy poorer countries by promoting sustainable development through loans, guarantees, risk management products, and analytical and advisory services. BRD raises most of its funds on the world's financial markets and has become one of the most established borrowers since issuing its first bond in 1947. The income that IBRD has generated over the years has allowed it to fund development activities and to ensure its financial strength, which enables it to borrow at low cost and offer clients good borrowing terms.



The International Development Association (IDA) offers interest-free loans—called credits— and grants to governments of the poorest countries. The first mandate of IDA is to help the poorest countries reduce poverty by providing interest-free loans that will enable them to sustain economic growth. By aiming at reducing poverty, IDA also aims at reducing inequalities and to improve the living condition of the inhabitants of those countries. IDA helps 81 of the poorest country throw out the globe, 39 of which are in Africa; and IDA is considered to be the principal aid support for those countries. The loans or credit are basically free interest and they can be reimbursed on a period of 25 to 40 years, with a 5 to 10 year grace period. Also, IDA allows grant to be delivered to countries at risk of debt distress. “Since its inception, IDA credits and grants have

totaled US\$238 billion, averaging US\$15 billion a year in recent years and directing the largest share, about 50 percent, to Africa”.



The **International Finance Corporation (IFC)** offers loans, equity and technical assistance order to encourage private sector investment in developing countries. The IFC is the world’s most important development institution dedicated to private sector in developing countries. It was created in 1956 and has 184 member countries that are shareholders. The policies are determines collectively through a rigorous process. IFC is implemented in more then a 100 developing countries, which enables companies and financial institutions to generate job creation, tax revenues in order to enhance the quality of life of the community. IFC works towards helping people get out of poverty and to improve lives.



The **Multilateral Investment Guarantee Agency (MIGA)** offers guarantees against losses caused by non-commercial risks to investors in developing countries. Within the framework of the World Bank the MIGA promotes foreign direct investment (FDI) in developing countries. Throu this program MIGA sustain economic growth, reduces poverty and improves people’s lives. MIGA mandates enable it to ensure political risk insurance guarantees to private sector investors and lenders. “MIGA’s guarantees protect investments against-non-commercial risks and can help investors obtain access to funding sources with improved financial terms and conditions”.



The **International Centre for Settlement of Investment Disputes (ICSID)** offers international facilities for conciliation and arbitration of investment disputes. The treaty, Convention on the Settlement of Investment Disputes between States and Nationals of Other States that instituted the ICSID was signed on March 18, 1965 and entered into force the following year, on October 14, 1966. The objective of this Convention was to facilitate and eliminate major obstacle to the free international flow of private investments. ICSID is an impartial body that provides eligible parties- subject to the parties’ consent- an environment for the resolution of legal disputes, through conciliation or arbitration procedures.

COOPERATION WITH OAS

- 29/1995 Advance for Preparation of GEF-FUNDED Caribbean: Planning for Adaptation to Global Climate Change
- 53/1999 Letter of Agreement for a Participation in a Management Project in Disasters and Vulnerability Reduction in Nicaragua
- 54/1999 Second Amendment to the Agreement for Adaptation to Global Climate Change Project.
- 29/1995 Advance for Preparation of GEF-FUNDED Caribbean: Planning for Adaptation to Global - Climate Change
- 53/1999 Letter of Agreement for a Participation in a Management Project in Disasters and Vulnerability Reduction in Nicaragua
- 54/1999 Second Amendment to the Agreement for Adaptation to Global Climate Change Project.
- 2004 (IBRD) Global Environment Facility Trust Fund Grant Agreement “Building the Inter-American Biodiversity Information Network Project” between the General Secretariat of the Organization of



American States and the IBRD acting as an Implementing Agency of the Global Environment Facility. Global Environment Facility Trust Fund Grant Number TF053526.

The World Bank contributed to the institutionalization of the gender equality perspective in the OAS by sharing input on experiences and lessons learned from the integration of a gender perspective in its policies, programs and operations, which the Inter-American Commission of Women considered when formulating the OAS' own gender policies.

There has also been recent cooperation in the joint organization of the Virtual Seminar Series (Webinar) to disseminate the results of the "KNOW Teachers" project designed to spread and compare educational policies from different countries and debate case studies.

In addition, CICAD participated in collaboration with the World Bank in Workshops/Trainings on seizure of assets in Colombia and Guatemala, and in video conferences on justice reforms.

On January 16, 2013, OAS Secretary General José Miguel Insulza met with the President of the World Bank, Dr. Jim Yong Kim at the World Bank's headquarters to discuss the most relevant issues of the hemispheric agenda as well as to explore avenues for closer cooperation. During their meeting, Dr. Insulza and Dr. Kim highlighted the value of the synergies that have developed when both organizations have worked together to reach common goals and expressed their desire to become more engaged in each other's work within the scope of their respective mandates.

In the past decade, cooperation between the World Bank and the OAS has centered on the Joint Summit Working Group and supporting the implementation of projects in the field of sustainable development, and the goal is to extend cooperation to other areas.

On March 25, 2013 the OAS participated in the Consultation/Workshop on the African Union Diaspora Flagship Legacy Projects co-organized by the African Union Commission and the World Bank, one of many follow-up activities to the first African Global Diaspora Summit held in Sandton, South Africa.

The OAS shared its experience working with the Haitian diaspora in the aftermath of the massive earthquake that shook Haiti on January 12, 2010, mobilizing the Haitian Diaspora, stressing the need for re-directing remittances into investment for development, allowing Diaspora to retain their citizenship, and creating the mechanisms that allow for the validation of foreign credentials, thus allowing for an easier flow of skilled professionals who may wish to return to their home country to use their skills.

INVOLVEMENT IN THE REGION (HIGHLIGHTS)

Caribbean:

The Caribbean Regional Communications Infrastructure Program for Latin America and the Caribbean Seeks to increase access to regional broadband networks and advance the development of Information and Communication Technologies (ICT) enabled services industry in the Caribbean Region. The project has four components: (i) regional connectivity infrastructure (2) ICT-led innovation (3) implementation support (iv) improving government and private sector efficiency and transparency by leveraging the regional broadband infrastructure towards the delivery of a wide variety of e-services.

Haiti:

The Haiti portfolio consists of 17 projects for a total commitment of \$495 million. Since the earthquake, the Bank has disbursed an average \$8 million per month. Recently approved projects include:

Infrastructure & Institutions Emergency Recovery Project (IIERP): Aims to support Haiti in its early sustainable recovery efforts from the effects of the January 12, 2010 earthquake, through selected interventions aiming at contributing to rebuilding key institutions and infrastructure.

Rebuilding Energy Infrastructure and Access Project for Haiti: This US\$90 million project aims to (a) strengthen the recipient's energy policy and planning capacity; (b) improve the sustainability and resilience of the recipient's electricity sector and restore and expand access to reliable electricity services; and (c) provide financial assistance in case of an energy sector emergency.

Disaster Risk Management and Reconstruction Project: supports Haiti by improving its disaster response capacity and enhancing the resiliency of critical transport infrastructure. This US\$60 million project has five components: (i) natural hazard risk assessment and analysis, (ii) support to disaster preparedness and emergency response, (iii) rehabilitation of vulnerable and damaged critical transport infrastructure, (iv) emergency response and recovery, and (v) project management and implementation support.

Cholera Emergency Response Project: seeks to improve the health and hygiene practices in order to reduce the spread of cholera in Haiti and strengthen its institutional capacity to respond to outbreaks.

PARTICIPATION IN THE SUMMITS PROCESS

The World Bank participates as a member of the Joint Summit Working Group (JSWG), which coordinates the support of twelve Inter-American and international institutions to the Summits process. These institutions provide technical guidance to countries in the identification and negotiation of issues addressed in the Summits process. The JSWG also plans and carries out projects and initiatives to implement Summit commitments and supports inter-American ministerial meetings and their linkages to the Summits process. Additionally, the group participates in Summit policy dialogues to exchange ideas regarding policy approaches for the Summits process.

The OAS Summits of the Americas Secretariat serves as Chair of the JSWG, which includes the Economic Commission for Latin America (ECLAC), the Inter-American Development Bank (IDB), the Pan American Health Organization (PAHO), and the World Bank), coordinated by the Organization of American States (OAS).

Connecting the Americas 2022: The World Bank, the OAS and the IDB are partners in this regional initiative that seeks to create a business environment to accelerate the development of renewable energy, attract private investments, and bring the best in energy technology to the market with the aim of delivering affordable electricity to all communities in the Americas by 2022.

This initiative, which is being led by Colombia and the United States, was launched at the Sixth Summit of the Americas in April 2012. Five months later, the region's foreign ministers met in New York to further discussions on the strengthening of regulatory frameworks and electrical interconnections to achieve access to electricity for all citizens within a decade and improve the quality of life of the peoples of the Americas.

Canada - Americas Business Environment Reform (CANAMBER): Through the IFC, the World Bank Group has partnered with the government of Canada for this five year project (2012-2017). CANAMBER supports reform programs to improve the business environment in 21 countries in Latin America and the Caribbean through improved regulatory procedures, systems and private sector innovation. The expected intermediate outcomes for this project include: improved regulatory and administrative frameworks and processes for doing business in participating countries; increased efficiency and transparency in business entry procedures and licensing regimes; and enhanced efficiency and inclusiveness of tax regimes in participating countries.

SOURCES

[The World Bank Group Website](#)

Department of International Affairs Cooperation database

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