

Committee: Economic and Financial Committee

Issue: The reformation of the World Bank

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Position: Co-Chair

PERSONAL INTRODUCTION

Dear delegates,

My name is Despoina Nefeli (Nefeli) Gkaroutsou, I am 17 years old and I am an IB1 student at Pierce – The American College of Greece, and it is my utmost honor to serve as a Co-Chair of the Economic and Financial Committee of the 5th session of the American College of Greece MUN. This conference will be my 3rd time serving as a Student Officer, and 9th conference overall. Through my participation in MUN, I have discovered new interests, expanded my knowledge and made new friends, and I hope that you will get an amazing MUN experience.

The following study guide will assist you in understanding and providing you with all the necessary information on the topic of “the reformation of the World Bank”. However, it is of magnitude and significance that every one of you conducts further research on the topic, and your country’s policy, to know where your country stands on the issue. Moreover, it is consequential that you do your research, and find solutions on it, because these are the key to a fruitful debate. Should you have any questions, or you need further assistance, do not hesitate to contact me through my email, d.gkaroutsou@acg.edu.

Looking forward to meeting you all in March, even virtually!

Best regards,

Nefeli Gkaroutsou

TOPIC INTRODUCTION

The World Bank or in full the World Bank Group (WBG), is an international organization affiliated with the United Nations (UN) which was founded in 1944 at the UN Monetary and Financial Conference, or otherwise known as Bretton Woods Conference¹. The global partnership has 189 member countries, (188 UN countries and Kosovo) workforce from more than 170 countries, and offices in more than 130 locations around the world. The World Bank's headquarters are based in Washington D.C.. It is a global partnership, consisting of five institutions: IBRD, IDA, IFC, MIGA, and ICSID. All of them “share a commitment, to reducing poverty, increasing shared prosperity, and promoting sustainable development”. The group's missions are, “to end extreme poverty” and “to promote shared prosperity”. The World Bank was designed to finance projects that enhance the economic development of member states. The group is the largest source of financial assistance to developing countries. Other than financial support, the World Bank provides technical assistance for long-term periods. However, since its creation, the World Bank has received criticism by civil society organizations (CSOs). They argue that low-income countries are not represented in the Executive Board. Another point of criticism towards the group is that the system of voting and how votes are shared among the member-states benefit the founding members in decision-making powers. Consequently, the reformation of the organization is needed.

DEFINITION OF KEY TERMS

Cooperative

“A (financial) cooperative is a type of institution that is owned and operated by its members”². The structure of the World Bank is like a cooperative.

Shareholders

A shareholder, also referred to as a stockholder is a person, company, or institution that owns at least one share of a company's stock, which is known as equity³. In the World Bank, all member-states are shareholders.

¹ “WHO WE ARE.” World Bank, <https://www.worldbank.org/en/who-we-are>.

“The World Bank Group and the International Monetary Fund (IMF).” World Bank, <https://www.worldbank.org/en/about/history/the-world-bank-group-and-the-imf>.

² Kenton, Will. “Financial Cooperative.” Investopedia, 31 Oct. 2020, https://www.investopedia.com/terms/f/financial_cooperative.asp.

³ Hayes, Adam. “Shareholder.” Investopedia, 20 Jun. 2020, <https://www.investopedia.com/terms/s/shareholder.asp>.

Economic Liberalization

Economic Liberalization is the reduction of government regulations and restrictions in an economy so as to support the participation of private entities and encourage economic growth. An aim of the Bank is to achieve economic liberalization.

Tax haven

“A tax haven is generally a country that offers foreign individuals and businesses little or no tax liability in a politically and economically static environment”⁴.

Financial flow

“Otherwise, known as fund flow, it is the net of all cash inflows and outflows in and out of various financial assets”⁵.

Tax liability

“Tax liability is the total amount of tax debt owed by an individual, corporation, or other entity to a taxing authority”⁶.

BACKGROUND INFORMATION

History

The World Bank has adapted with the changes the economy underwent over the last 70 years and has assisted over 100 developing countries with loans and guidance. The group has worked with governments, the private sector, civil society organizations, regional development banks, think-tanks and other international institutions on various matters, such as climate change, conflict, education, food security, agriculture, finance, and trade. These actions and the work behind them, have attempted to attain the World Bank’s main two goals during the modern age, “ending extreme poverty by 2030” and “boosting shared prosperity of the poorest 40 percent of the population in all countries”.

As it was found in 1944, originally called the International Bank for Reconstruction and Development, which was soon re-named the World Bank, it

⁴ Kagan, Julia. “Tax Haven.” Investopedia, 10 Dec. 2020, <https://www.investopedia.com/terms/t/taxhaven.asp>.

⁵ Chen, James. “Fund Flow.” Investopedia, 3 Nov. 2020, <https://www.investopedia.com/terms/f/fund-flow.asp>.

⁶ Kagan, Julia. “Tax Liability.” Investopedia, 14 May 2020, <https://www.investopedia.com/terms/t/taxliability.asp>.

expanded to the closely associated group that it is today, with its five development institutions. Initially, the group's loans aimed at helping countries rebuild after the Second World War. Over time, the center of attention has changed to development, emphasizing on infrastructure (dams, electrical grids, irrigation systems, and roads). In 1956, the International Finance Corporation (IFC) was found, the second institution, which made granting loans to private companies and financial institutions in developing countries possible. With the founding of the International Development Association (IDA), in 1960, the issues of the poorest countries, of the time, were highlighted and the goal for the eradication of poverty was specifically addressed. Then, as the International Center for Settlement of Investment Disputes (ICSID) and the Multilateral Investment Guarantee Agency (MIGA) led the World Bank further towards its goal it managed to better connect global financial resources to the needs of developing countries.

At the present time, the group is involved and works hard in every sector that is significant in combatting poverty, encouraging economic growth and securing sustainable gains in the quality of lifestyle of humans in developing countries. On major issues, such as, climate change, pandemics, and forced migration, the World bank is highly involved and the group's role is crucial, as it can cooperate with its member-states, but also with multiple partners, and it can help directly in a crisis. The World Bank's personnel is diverse, and it consists of many professions, like economists, public policy experts, sector experts, and social scientists, some based in Washington D.C. and others in country offices. Lastly, through the course of time, the World Bank has managed to match up to the request of its services, considering that in 1947, it made four loans of the total of \$497 million, while only in 2015, it made 302 loans of a total of \$60 billion⁷.

Membership

The World Bank Group is comprised of organizations that are owned by governments of nations, which possess the greatest decision-making authority within organizations on all subjects, incorporating policy, financial or membership matters. Member-states exercise control over the World Bank, through the Board of Governors and the Boards of Executive Directors. These bodies determine all significant outcomes for the organizations. To acquire membership in the Bank, according to the Articles of Agreement of the International Bank for Reconstruction and Development (IBRD), a state must first be a member of the International Monetary Fund (IMF). To be a member of the International Development Association (IDA), International Finance Corporation (IFC), and Multilateral Investment Guarantee Agency (MIGA), a state has to be a member of the IBRD. Alongside, the IMF, and in cooperation and collaboration with World Bank Group personnel, the

⁷ "History." World Bank, <https://www.worldbank.org/en/about/history>.

Corporate Vice Presidency arranges for new membership and contains information, regarding the status of membership which involves the lists of members⁸.

Articles of Agreement

The Articles of Agreement establish the conditions of membership, the main principles of organization, management and operations and the procedures of the World Bank. Each institution of the five, IBRD, IDA, IFC, MIGA, and ICSID, has its own Articles of Agreement, except ICSID, some also have By-Laws and the documents of a convention. The aforementioned documents establish all the rules that the bodies and their member-states have to abide by⁹.

International Monetary Fund (IMF)

The International Monetary Fund was founded at the same time as the World Bank, at the Bretton Woods conference in 1944. However, these two have complementary missions. While the World Bank provides services to developing countries to reduce poverty and increase shared prosperity, the IMF, compliments it, by working to stabilize the international monetary system and functions as a monitor of the world's currencies. States, in order to join the World Bank, have to be members of the IMF first, which shows their interrelation¹⁰.

Criticism

As mentioned above, the World Bank has been receiving criticism on two significant aspects that make the organization. Firstly, the Bank has been criticized that low- and middle-income countries (LMICs) are being stolen of revenue, because of policies that the organization contributes to. As the Bank strives to achieve economic liberalization globally, it has created “a race to the bottom”, regarding corporate taxes between countries to draw foreign investment. In order for investors to have an “enabling environment” and “business-friendly” policies, tax incentives have been introduced, which led to the undermining of countries’ human rights duties. Even today, a few tax havens collect disproportionate large profits, from economic activities based somewhere else, or they function as safe vaults to keep undeclared and untaxed wealth, so that tax authorities cannot find it. It has been estimated that illicit financial flow deprives LMICs of income, worth of \$427 billion per year. This is the result of practices, like tax abuse and avoidance by transnational corporations (TNCs) and wealthy and influential persons, also tax losses because of tax evasion, to the profit of companies that purposely misprice products, in order to decrease tax liability. All of the aforementioned practices are spoken against by the

⁸ “Member Countries.” World Bank, <https://www.worldbank.org/en/about/leadership/members#2>.

⁹ “Articles of Agreement.” World Bank, <https://www.worldbank.org/en/about/articles-of-agreement>.

¹⁰ “The World Bank Group and the International Monetary Fund (IMF).” World Bank, <https://www.worldbank.org/en/about/history/the-world-bank-group-and-the-imf>.

World Bank, yet it still continues to promote policies that enable them¹¹ to continue. The other criticism that the Bank has been receiving, mostly by CSOs towards developing countries, is that they do not have the same seat at the executive table as other countries, because of the voting power they hold. Despite these countries being the biggest borrowers of the Bank, they are not represented.

Organizational Structure

The structure of World Bank could be explained, as a cooperative, which consists of 189 member countries. These member-states or shareholders have a Board of Governors. The Board of Governors is made up by one Governor and one Alternate Governor. The office is held by the country's minister of finance, governor of its central bank, or a senior official or similar rank. The Governors and the Alternates are appointed separately and are also the ultimate policymakers of the World Bank. All of the Governors meet once a year at the Annual Meetings of the Board of Directors of the World Bank and the International Monetary Fund. The people appointed are usually countries' ministers of finance, or governors of the main bank of the country. The position is held by the Governors and the Alternates, for five years, and they can be re-appointed.

The governors assign the position and particular duties that come with it to 25 Executive Directors who work at the actual building of the World Bank. The five biggest shareholder countries make the appointment of an executive director, and the other member-states elect one representative executive director. The World Bank President officiates at the meetings of the Board of Directors and is in charge of the management of the Bank, altogether. The Board of Directors of the Group consists of Executive Directors. The Executive Directors usually gather at least twice a week to supervise the Bank's affairs, like approval of loans and guarantees, recent policies, the administrative budget and country assistance strategies¹².

The Board of Directors has all the powers of the World Bank, since they are the Bank's senior decision-making body, as stated by the Articles of Agreement. Nonetheless, the Boards of Governors have authorized the Executive Directors, with all of their powers, with the exception of those specified in the Articles of Agreement. These powers are the following:

- accept and remove members;
- raise or reduce the authorized capital shock;
- control the distribution of the net income of the Bank;

¹¹ Sonkin, Flora. "Gambling with our lives: Global emergencies expose consequences of IMF and World Bank policies." Bretton Woods project, <https://www.brettonwoodsproject.org/2020/12/gambling-with-our-lives-global-emergencies-expose-consequences-of-decades-of-imf-and-world-bank-policies/>.

¹² "Organization." World Bank, <https://www.worldbank.org/en/about/leadership>.

- Determine appeals from interpretations of the Articles of Agreement by the Executive Directors;
- Arrange formally and comprehensively the cooperation with other international organizations;
- Adjourn permanently the functioning of the World Bank;
- Extend the number of elected Executive Directors; and
- Consent to amendments to the Articles of Agreement¹³.

The World Bank functions everyday with the leadership and administration of the President, David Malpass, currently, also of the management and senior staff, and the responsible Vice Presidents of Global Practices, Cross-Cutting Solutions Areas, regions and functions.

International Bank for Reconstruction and Development (IBRD)

The IBRD is the largest bank for development worldwide; it offers financial products and advice on policies, to aid countries in decreasing poverty and expand the benefits of sustainable development to more people. The IBRD is a partner to middle-income countries (MICs), as clients and shareholders. The countries involved have become factors of global growth and have hosted major infrastructure projects and investments to their country. In addition, they are some of the states with a large share of exports in all kinds of economies, to advanced and less advanced countries. Those countries have experienced fast economic and social growth and have become states with a key role in problem-solving when it comes to challenges of the global community. However, MICs form more than 70% of the people in poverty globally who are usually found in remote areas. Restricted access to private sector funds results in these countries being prone to economic crises. The World Bank is a vital partner to middle-income countries, and they consist of more than 60% of the IBRD's portfolio. The partnership with MICs involves providing to those countries financial products and solutions which include loans, guarantees and risk management products. The solution part of the services that the IBRD offers is knowledge and advisory services to governments, on both a national and a subnational level. The financing of investments in all sectors of a country, and the provision of technical support in all phases of each project, are a part the IBRD's services¹⁴.

International Development Association (IDA)

The IDA is the body of the World Bank that aids the poorest countries of the globe. It is run by 173 shareholder nations. The IDA aims to reduce poverty, by giving

¹³ "Board of Governors." World Bank, <https://www.worldbank.org/en/about/leadership/governors>.

¹⁴ "International Bank for Reconstruction and Development." World Bank, <https://www.worldbank.org/en/who-we-are/ibrd>.

zero to low-interest loans, otherwise known as credits. The IDA's programs also boost economic growth, decrease inequalities and enhance people's living conditions. The loans this body issues compliment the World Bank's initial lending branch – the IBRD. IDA shares with the IBRD, the same personnel and headquarters, and their projects' evaluation rigorous standards, are the same. The body is one of the greatest sources of financial aid for the 74 poorest countries, worldwide. It is also the single source of donor funds for basic social services in those countries. The IDA lends funds on concessional terms, meaning it is on a preferential allowance or rate given by the Bank. These terms also mean that "IDA credits have a zero or very low interest charge and repayments are stretched over to 30 to 40 years, including 5- to 10-year grace period." Another provision of IDA is the grant to countries which are at risk of debt distress. IDA is able to provide the above-mentioned services through the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI). Up until June 2020, the IDA had made, in 2020 only, commitments, with the total of \$30.48 billion, of all that, 26 percent was given on grant terms and the commitments comprise 306 new projects. Moreover, the support of this institution is part of the World Bank Group's \$160 billion worth, response to COVID-19. The IDA is a multi-issue institution, that promotes and backs a number of development activities that contribute to equality¹⁵.

International Finance Corporation (IFC)

The IFC focuses on the private sector in developing countries. It ameliorates people's living conditions by supporting the development of the private sector in those countries. This goal is accomplished by generating new markets and attracting investors. These practices create job opportunities; enhance living standards, particularly for the more impoverished people. IFC shares the two goals of the World Bank, to "ending extreme poverty" and "boosting shared prosperity". IFC's mission is, to "advance economic development by encouraging the growth of private enterprise in developing countries". The body has as its core values: impact, integrity, respect, teamwork, and innovation. IFC's creation, in 1956, was based on the bold idea, that the private sector can transform developing countries. Ever since, it was founded, the body has developed to operate in more than 100 countries. The IFC's expansion, can be described by the phrase, "emerging markets". The three main ways, in which the IFC helps developing countries evolve their private sector, is by investing in businesses with loans, equity investments, debt securities and guarantees. It also helps, by the mobilization of capital from different sources, like

¹⁵ "What is IDA." IDA, <https://ida.worldbank.org/about/what-is-ida>.

lenders and investors, and by suggesting to companies and governments to promote and back private encouragement¹⁶.

Multilateral Investment Guarantee Agency (MIGA)

The MIGA has as its mandate “to promote cross-border investment in developing countries by providing guarantees to investors and lenders”. The protection of the investments happens through these guarantees; they safeguard them against noncommercial risks and aid investors in securing access to funds with ameliorated terms and conditions. The body takes its power from the World Bank, because of the remarkable structure it has, where it has shareholders which are most countries of the world, as it is an international organization. This structure enables the MIGA to deter government actions that could disorder projects; the body facilitates, and helps in the resolution of disputes between their partners, governments and investors. The MIGA for the next three years has issued that it will pursue these four directions. Firstly, deepen the impact in IDA countries and Fragile and Conflict-Affected Situations (FCS,); MIGA will provide its services to IDA – low-income countries and Fragile and Conflicted-Affected Situations. Furthermore, complement market creation, through the “Cascade approach” and the “financing for development agenda”. Take a lead on global issues, such as climate change, gender and knowledge. Lastly, the MIGA will improve its robust business model. For those years, the MIGA will also focus in other three areas which will aid these four strategic directions. It will focus on increasing its innovation and product applications, and also foster closer collaboration with the Bank and IFC to benefit from their upstream work. And finally, strengthen actionable partnerships and collaboration with Multilateral Development Banks (MDBs) and Export Credit Agencies (ECAs), in order to overcome development challenges¹⁷.

International Centre for Settlement of Investment Disputes (ICSID)

ICSID is the world’s chief institution specializing in international investment dispute settlement. With the body’s great experience in the field, it has controlled most international investment cases. Countries are in agreement recognizing ICSID, as a forum for investor-State dispute settlement in treaties, investment laws, and contracts regarding international investment¹⁸. The five main services of ICSID are the following: Arbitration under ICSID rules, Arbitration under UNCITRAL rules, Mediation, Conciliation, and Appointments and Disqualifications¹⁹.

¹⁶ “About IFC.” IFC, https://www.ifc.org/wps/wcm/connect/corp_ext_content/ifc_external_corporate_site/about+ifc_new.

¹⁷ “About Us.” MIGA, <https://www.miga.org/about-us>.

¹⁸ “About ICSID.” ICSID, <https://icsid.worldbank.org/about>.

¹⁹ “Services.” ICSID, <https://icsid.worldbank.org/services>.

MAJOR COUNTRIES AND ORGANISATIONS INVOLVED

As some of the countries with the largest economies worldwide are members, consequently they have the biggest voting power in the institution, and thus the largest influence in decision-making. An example of the influence these countries have is, the 2010 proposed reforms, regarding the power of emerging economies, had not been accepted by the US, while they were agreed upon by the G20. The US agreed in 2015, which made the US have approximately more than 16% voting power.

United States of America (USA)

The US joined the World Bank, with its establishment in 1944, and has been a leading force since then. It is the greatest shareholder of the group, and the only country with veto power over specific aspects of modification in the Bank's structure. The United States plays a key role, when it comes to putting development priorities worldwide. The USA has been contributing to the World Bank's mission, and specifically has been working along with the International Development Association successfully.²⁰

Japan

After joining in 1952, multiple projects were launched in the country in 1953 with loans, directed at the development of Japan's economic basis. Specifically, those projects aimed to focus on Japan's electric power generation, basic industries development, transportation, water and infrastructure. In the 1970s, the status of Japan as a creditor was boosted, giving it the position of the second largest shareholder.

People's Republic of China

The country started to have economic modernization as an aim and implemented reforms in 1978. Ever since, the GDP has experienced immense growth, averaging at almost 10% a year and more 850 million people are no longer in poverty. Nowadays, China holds the world's second largest economy, and is an upper-middle-income country. However, 373 million people in the country live below upper-middle-income poverty line of US\$ 5.50 a day. China also has ¼ per capita income of that of high-income nations.

²⁰ "The World Bank in the United States." World Bank, <https://www.worldbank.org/en/country/unitedstates/overview#1>.

Germany

As Germany was the first European nation to establish a development ministry in 1961, it has been a country determined towards development of its sectors. Today, it holds the place as the World Bank’s fourth largest shareholder.

United Kingdom (UK)

The UK was one of the crucial states at the Bretton Woods institutions (WB and IMF), since 1945. The United Kingdom still has retained its position as a major shareholder, and a significant influential partner in the efforts to reduce poverty that are happening worldwide.

Less Economically Developed Countries (LEDCs)

These are countries that have the smallest voting power, compared to MEDCs. So, their opinion is not expressed as much. However, since those are the countries that are requesting more loans and generally are being provided the services of the Bank, they feel that they should play a greater role regarding decision making. Over the last years, those states have voiced their discontent, resulting in the reforms in voting power of the countries.

Sub-Saharan Africa

The countries that are included in the Sub-Saharan Africa are LEDCs, thus having little voting power. The 46 states of the Sub-Saharan region are represented by two Executive Directors. In 2010, the Bank sharpened its strategic focus, to add more value on the impact, so it emphasized on targeting the poor and vulnerable in the region.

TIMELINE OF EVENTS

Date	Description of event
July 1 – 22, 1944	The International Monetary and Financial Conference took place in Bretton Woods, New Hampshire, USA, and it is when and where the World Bank Articles were initiated.
December 27, 1945	IBRD Articles became effective, as 11 European countries signed out of the 21 that met to sign the Articles, and the requisite number of votes were collected. (Countries: Belgium, Czechoslovakia (today: Czech Republic & Slovakia), France, Greece, Iceland, Luxembourg, Netherlands, Norway, Poland, UK and Yugoslavia (today:

	Bosnia and Herzegovina, Croatia, Kosovo, Montenegro, North Macedonia, Serbia, Slovenia).
March 1 – 18, 1946	The Board of Governors hold inaugural meeting, in Savannah, Georgia, USA
March 30, 1946	Denmark joins the World Bank.
May 6, 1946	World Bank Executive Directors hold their first meeting, it addressed various fundamental matters, including the nomination of the first president.
November 15, 1947	The World Bank and the UN make official relationship, with the World Bank becoming a specialized agency of the UN. Its organization is defined, setting its freedom regarding lending and financial management.
September 27 – October 3, 1946	World Bank Governors hold their first meeting in Washington, D.C.
November 15, 1947	The UN and the World Bank formalize relationship with an agreement that makes the Bank a specialized agency of the UN. The Bank is defined as an independent organization, which has freedom regarding lending and financial management.
October 1, 1952	World Bank implements first re-organization. Department of Technical Operations is introduced.
July 20, 1956	International Finance Corporation (IFC) was founded.
September 24, 1960	International Development (IDA) was created.
September 5, 1961	IFC Articles of Agreement amendment. IFC was previously blocked from making capital investments in private enterprise.
January 1, 1963	Eighteen newly independent African countries join the World Bank.
October 14, 1966	International Convention on the Settlement of Investment Disputes (ICSID) was created.
May 4, 1987	WBG implements reorganization and sets as primary objective to cut costs and increase efficiency.
April 12, 1988	WBG establishes MIGA.
January 1, 1992	Post-Soviet states join the WBG
October 1, 1996	The Heavily Indebted Poor Countries Initiative was approved. It assists poor countries avoid debt burden that cannot be controlled.
December 10, 1999	WBG (and IMF) launch the Poverty Reduction Strategy Papers (PRSP) program. In response to the growing concerns about the slow progress of poverty reduction, this was launched, where countries produce the PRSPs.
January 15, 2004	WBG establishes Low Income Countries Under Stress Trust Fund, it will strengthen institutions in the poorest countries worldwide, encourage policy reform, and build capacity.

August 9, 2005	World Bank cuts lending fees, it was the result of a strengthened equity base and improvements in the credit quality of the WBG's portfolio.
January 24, 2006	IDA14 replenishment emphasizes Millennium Development Goals (MDGs), including the increase of total commitments to \$34 billion, with 40 donor countries amounting for \$18 billion. Donor backed a renewed focus on stronger, broad-based economic growth as essential to assist poor countries to reach the ambitious goals of progress and human welfare in the MDGs.
March 28, 2006	Multilateral Debt Relief Initiative (MDRI) was approved. Under it, IDA is expected to provide about \$37 billion in debt relief over 40 years to some of the globe's poorest countries.
2008	The Bank began a "voice reform" process to elevate developing countries' representation, acknowledging that the "distribution of shareholding is important for the legitimacy of the institution".
December 10, 2008	A Fast-Track Facility was launched in response to the global financial crisis.
December 11, 2009	Crisis Response Window for poorest countries was launched.
April 2010	The Bank changes the shares of developing countries, increasing them from 44.06% to 47.19%.
September 2015	WBG acknowledged the growing share of developing countries, and presuming that that their voting share will augment to 52.76%.
March 25, 2020	WBG (and IMF) call for debt relief for IDA countries.

RELEVANT RESOLUTIONS, TREATIES AND EVENTS

The Strategic Partnership Framework (SPF) was signed by the UN and the World Bank Group, in Washington, on May 18th, 2018. SPF consolidates their joint commitment to cooperate in aiding countries to apply the 2030 Agenda for Sustainable Development. It was signed by UN Secretary-General António Guterres and the then WBG President Jim Yong Kim, the SPF focuses on four main areas of cooperation: "finance and implementation support to help countries reach the Sustainable Development Goals (SDGs); decisive global action on climate change; joint work in post-crisis and humanitarian settings; and harnessing data to improve development outcomes."

PREVIOUS ATTEMPTS TO SOLVE THE ISSUE

In 2010, the 186 member-states of the World Bank, supported to boost its capital to more than 86\$ billion, and to offer developing countries with greater influence. Regarding financial resources, the proposals included the increase of capital to \$82.2 billion for the IBRD, the branch that assists developing countries, from an increase in its general capital, to selective capital increase, which goes along with the voting powers, specifically amounting to \$5.1 billion in paid-in finances. Also, it involves the IFC, increasing its capital to \$200 million. When it comes to voting power, a 3.13 % raise, to the voting power of Developing and Transition Countries (DTCs), reaching to 47.19 %, particularly at IBRD. At the IFC, the voting powers of DTCs, were increased to 39.48%, with the total shift of 6.07% points.

In 2015, the 2010 proposals for reforms regarding financial resources, voting power, operations and post-crisis strategies, were accepted. In that year the Bank underwent many changes in its targets. As mentioned above, the Sub-Saharan region was emphasized as a new target. Another target was to strengthen and stabilize governance within the structure of the institution. Moreover, a new target was also the promotion in taking global collaborative action in climate change, trade, agriculture, energy, water, health and food security. When it comes to the Bank's operation, the Open Data Initiative was launched, which put the organization at the "forefront of giving free and easy access to information on developing countries". A new Access to Information Policy was introduced which made the WBG, a multilateral institution on information disclosure. Lastly, these reforms included, an investment lending reform, focusing on the speed, delivery, and the reinforcement of risk management, regarding loans.

POSSIBLE SOLUTIONS

It is a challenging task to make reforms at an organization that concerns so many countries, since they are members of it, and they own it. Also, the difference of proposals between MEDCs and LEDCs makes it difficult to negotiate. However, some of the possible solutions for countries to consider are the following.

Increase of Share of Low-income Countries

In order to overcome the issue of the under-representation of LEDCs, there is a need to further increase the shares of those countries. The criticism of the World Bank not giving seats on the table for developing countries, will be resolved if those countries get an increase in their shares, as it is what "gives voice" to the countries in the Bank.

Expansion of Funds and Resources for LEDCs

As LEDCs are the countries that are in more urgent need for development in various sectors, the expansion of funds and resources is called for. However, the issue of loans must be permitted under certain requirements the countries must fulfil to justify the necessity for funds.

Double-majority voting

Lastly, as demanded by CSOs, the introduction of double-majority voting, as a decision-making reform, will play a vital role in achieving the result of giving more voting power to LEDCs.

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