

Excerpt taken from Our Common Interest Report of the Commission for Africa

(Section 10.5 from pages 368-369)

Full Report can be downloaded at:
http://www.commissionforafrica.org/english/report/thereport/cfafullreport_1.pdf

10.5 A stronger African voice in the multilateral organisations

28 Of fundamental importance is the extent to which the multilateral organizations genuinely fall in behind African leadership and Africa's vision of its own development. We believe they must be subject to greater accountability from their peers and clients. There are two key areas for action: assessing, guiding and changing their actions at the country level; and in decision-making at Board level. Both are important. At the moment, the lack of accountability at the country-level means that there is no hindrance to, or redress for, arbitrary or unco-operative behaviour. We recommend further implementation of mechanisms such as a joint (government and donor) or independent monitoring group to assess the quality of donor assistance and co-ordination, as has been tried with substantial success in Tanzania.

29 But a strong advance in African voice and representation in the decision-making processes at the Board level of these organisations, each of which has its own governance arrangements, is also crucial for increasing responsiveness. It will also increase the chances of adoption of reforms advocated above. The EU has a relatively well-balanced governance structure in its dealings with Africa, with a joint donor-recipient Council of Ministers under the Cotonou Agreement. Decisions in the IFIs are in most cases taken by their Boards. The extent of African influence in these varies considerably. In the ADB, African countries hold 60 per cent of the shares and have 12 of the 18 seats on the Board. Africans can feel it is their development bank in the same way that Latin Americans feel that the Inter American Development Bank is their Bank. Constituencies are of a comparatively manageable size – on average about six countries. By contrast, in the World Bank and IMF, African countries hold only about four per cent of the shareholding and only two of 24 constituencies, each of which have more than 20 members. Global funds and non-government organisations have various governance structures, but generally are donor-dominated.

30 Over the last few years, a number of proposals have been made for strengthening African representation in the Executive Boards of the World Bank and the IMF, ranging from improving capacity within African Directors' offices to reallocating basic votes, to adding to the number of Board seats. As the rules for representation on the Boards are based on economic criteria, it is not likely that African representation will exceed two chairs out of 24 in the short term. However, a decision could be taken by consensus to allow the creation, on a temporary basis (for the entire period up to 2015), of two supplementary positions of Executive Director for Africa, each backed by an Alternate Director, in each Board. This would ease the task of the directors in this critical period for Africa's development.

31 In addition, major strategic decisions could be transferred to a ‘Council’ for each institution (a decision adopted for the IMF in the amendment of its Articles in 1976, but not put in place). This would be a decision-making body, consisting of political representatives of member countries, that would replace the existing, consultative, International Monetary and Financial Committee (IMFC) and Development Committee, and have among its purposes ‘to review developments in the transfer of real resources to developing countries’. This would give the governing body of each institution a political, rather than a technocratic nature. The two temporary African chairs would also participate in these bodies.

32 There have been calls to open up the appointment of the heads of the World Bank and IMF (and other international institutions) done, by convention, on the basis of regional allocation rather than by international open competition. We support these calls. These opportunities involve jobs of great importance and should go to the best available person regardless of nationality.

33. A more representative UN Security Council would be more responsive to and more credible in the eyes of those regions, such as Africa, which are not currently represented in the permanent membership. The UN High Level Panel has developed two options for expansion, both of which would involve six seats for each region of the world, including Africa. One involves the creation of new permanent seats, whereas the other creates renewable rather than permanent seats.

Recommendations: (i) African countries should be given a greater voice in the multilateral institutions, most notably through greater representation on the boards of the World Bank and IMF; (ii) strategic leadership and decision-making in the IMF and World Bank must be the responsibility of the political leadership of member countries. To this end, a decision making Council, consisting of political representatives of member countries, should be established for each institution; (iii) appointment of the heads of international institutions should be decided upon by open competition which looks for the best candidate, rather than by traditions which limit these appointments by nationality; and (iv) in each recipient country, the government and donors should set up monitoring groups to assess the quality of donor assistance and co-ordination; (v) the UN Security Council should be expanded to include greater African representation.

34 In advance of any structural change, there is some practical scope for increasing African influence within the current structure of the IMF and World Bank. As the experience of the ADB shows, representation alone is not enough, but must be accompanied by capacity for effective representation. Strong individual Executive Directors, with good technical backup, particularly from their capitals, are likely to have an impact, as effective personal alliance building and networking can help to set the agenda and drive policy. The case for further technical support, such as for policy analysis, or for translation of documents into the languages used in constituency capitals, is strong. Some elements of a support package could be provided from the institutions’ core administrative budget, while for others the model of a Trust Fund to support analytical work, as currently established by a number of donors at the World Bank and IMF, is appropriate.