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Time to reform how heads of International Organisations are chosen



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On 14 March, nominations will close for the presidency of the World Bank. The assumption is that, as with all 12 previous presidents, the Bank's board will appoint the candidate nominated by the United States. By tradition, rather than anything in their charters, the President of the World Bank has always been an American, while the Managing Director of the International Monetary Fund has been European.

A debate on the continued validity of this arrangement arises every time the presidency becomes vacant. US administrations have had disparate motives for their nominations, with mixed outcomes. In 1968 when Lyndon Johnson wanted to find a home for his war-weary Secretary of Defense, Robert McNamara, he named him to head the World Bank, where he is widely considered to have been the most successful leader in its 72-year history. In contrast, George W. Bush put forward Paul Wolfowitz, an architect of another unpopular war, who resigned in disgrace two years later.

Most other presidents led the Bank with distinction, although President Obama's choice of the Korean-American, Jim Kim, proved disappointing and, after having lobbied hard in 2016 to be reappointed, on January 7 this year, he suddenly resigned to take a job in the private sector. Given President Trump's track-record with cabinet appointees and his disdain for multilateralism, many argued that the time had come for all other governments to stand up to the Administration and get firmly behind the open and transparent selection process that the Bank's governors (ministers from each member country) had agreed in 2011.

However, within weeks, the White House had named Treasury Under Secretary, David Malpass, as its nominee. Malpass has been a strong critic of the World Bank. For an institution where there is plenty of scope for reform, that should not disqualify him, but there are many other Americans who are much better qualified. Nothing in his background inspires confidence that he would be the visionary leader the World Bank needs.

The World Bank's leadership challenge shines a spotlight on the haphazard way that many other International Organisations choose their leaders.

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At some organisations, a geographic rotation system operates, rather than opening up leadership posts to the best qualified candidate anywhere in the world. In the case of the Asian Development Bank, its Charter says: “He shall be a national of a regional member country”, but all nine have been senior Japanese civil servants. The gender of the personal pronoun is noteworthy!

There are countless instances of governments backing second best candidates. An egregious case was when the Harvard-educated, World Bank vice president Ismail Serageldin, from Egypt, was backed by 48 Nobel Laureates to become Director General of UNESCO. He was widely regarded as ideally qualified. But Saudi Arabia named its ambassador in London as a candidate and corralled the support of most of the Arab world, including Egypt! Then, Japan nominated a senior civil servant in Tokyo and launched a global campaign of wining and dining that would have done FIFA proud. In November 1999, the Japanese nominee prevailed.

The same year, UN Secretary General, Kofi Annan, proposed another World Bank Vice President, Mark Malloch Brown, to be the Administrator of UNDP. Two decades earlier, when still in his twenties and working for UNHCR, he had been widely praised for setting up camps in Thailand for Cambodian refugees fleeing Pol Pot’s genocide and had an extensive subsequent development background. The Clinton Administration and most other countries supported his nomination. However, despite Malloch Brown being British, the UK didn’t support him because the EU had decided that it was Denmark’s “turn”. Happily, the Secretary General’s choice of a qualified professional prevailed and so he was appointed.

Unlike many other such organisations, the WTO has a transparent process for appointing a new director-general. Nine months before the end of the incumbent’s term, the Chair of WTO’s General Council (comprising representatives of all member governments) opens a one-month window for nominations, with applications being invited from all regions, “taking into consideration the diversity of the WTO’s membership.”

Candidates make oral presentations to the General Council, including their vision for the WTO, and answer questions. Over the subsequent two months, straw polls are conducted, with the candidate garnering the least support being dropped in each round, until the Chair is able to present the candidate most likely to attract consensus. The process has worked well, although, in May 1999, members were evenly split over New Zealand’s Mike Moore and Thailand’s Supachai Panitchpakdi, with neither candidate willing to withdraw. The compromise was that Moore served from 1999 to 2002 and Supachai from 2002 to 2005 – three years each rather than the normal four-year term.

At the United Nations, the appointment of the Secretary General is made by the General Assembly on the recommendation of the Security Council. However, the five permanent members (P5) of the Security Council traditionally exerted their influence to choose a candidate on a rotating geographic basis in an opaque process, trading their support for candidates in return for promises of senior posts for their nationals.

In 2016, this changed when António Guterres was appointed after a transparent process based on merit. The presidents of the Security Council and the General Assembly jointly established selection criteria and called for CVs and mission statements from candidates, which were posted on a dedicated website. Seven out of the 13 candidates in 2016 were women, whereas over the entire prior history of the UN, only three women had made it onto the Security Council’s shortlist.

All candidates were questioned by GA members about their plans, with the hearings being carried on a webcast to open them to a global audience.

Returning to the World Bank: within days of Kim's resignation, the Board affirmed its "commitment to an open, merit-based and transparent selection process," stating that Candidates should meet the following criteria:

- a proven track record of leadership;
- experience of managing large organizations with international exposure, and a familiarity with the public sector;
- the ability to articulate a clear vision of the World Bank Group's development mission;
- a firm commitment to and appreciation for multilateral cooperation; and,
- effective and diplomatic communication skills, impartiality and objectivity in the performance of the responsibilities of the position.

After nominations close, three candidates will be shortlisted and their names published, followed by formal interviews with Executive Directors, with the intention of selecting a new president before the Spring meetings (12-14 April).

David Malpass's background and public statements suggest that he fails to meet these criteria, unlike the two other candidates from 2012, when Kim was appointed. They are Ngozi Okonjo-Iweala, a former (female) Nigerian finance minister and World Bank managing director, and José Antonio Ocampo, a former finance minister of Colombia. There are other candidates elsewhere, including in the United States, who are very well-qualified. However, the only non-US nomination so far, Ziad Hayek, head of Lebanon's council for overseeing privatisations and public-private partnerships, is unlikely to garner widespread support.

While there is no appetite to alienate the United States, a case can be made for rejecting Trump's nominee, a man who has argued that "multilateralism has gone substantially too far – to the point where it is hurting US and global growth," and has been a leading advocate of US protectionism. If the Bank's other 188 member governments are willing to show some backbone, they will encourage additional nominations and then choose a fully qualified candidate. If they want to avoid an overt confrontation with the US, there is, however, another practical solution.

Kristalina Georgieva, the Bank's chief executive, is currently acting president. She had spent 17 years at the Bank, rising to Vice President and Secretary before becoming a Commissioner and then a Vice President of the European Commission. She could be asked to fill the entire remaining three years of Kim's term of office, by which time there might be a new administration with a more global outlook, and if there isn't, the Bank's member countries could still make their own choice without accepting a US nomination.

The world needs International Organisations to provide the framework for a global international order that keeps the peace, fosters prosperity through trade and development, addresses global health issues, promotes environmental and cultural best practice and a host of other public goods. Governments throughout the world must make ensuring well-qualified leadership for these bodies a much higher foreign policy priority than it has been in the past.

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