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# Poorer Nations Get Larger Role in World Bank

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WASHINGTON — Members of the [World Bank](#) agreed on Sunday to support a \$5.1 billion increase in its operating capital, the largest increase in general financing since 1988, and to give developing economies a greater say in running the antipoverty institution.

Under the changes, [China](#) will become the bank's third-largest shareholder, ahead of [Germany](#), after the United States and [Japan](#). Countries like Brazil, India, Indonesia and Vietnam will also have greater representation.

"We are grateful to our shareholding countries for this strong vote of confidence," the bank's president, [Robert B. Zoellick](#), said at the conclusion of the spring meetings of the World Bank and the [International Monetary Fund](#).

The bank's 186 members also agreed to support a reform package that calls for greater openness and disclosure of information and improvements in managing risks and measuring results.

The World Bank has made \$105 billion in financial commitments since July 2008 in response to the global economic turmoil. The new capital in essence allows the World Bank to maintain its programs at their level before the crisis.

"We could start to see this last year, at the time of our annual meeting, that unless we could get additional capital infusion, we wouldn't be able to continue this high lending volume," Mr. Zoellick said in an interview on Friday. "And indeed, even coming out of the crisis, we would be in a position where we'd have to come back below precrisis levels."

In a [Global Monitoring Report](#), released Friday, the bank reported that the economic crisis had slowed the pace of poverty reduction in developing countries. As a result of the crisis, 53 million more people will remain in extreme poverty by 2015 than otherwise would have,

the report found. Even so, the report projected that the number of people in extreme poverty — defined as living on less than \$1.25 a day — would be 920 million in 2015, a significant decline from the 1.8 billion in 1990.

Some developing countries sought a bigger capital increase, as other development banks have received. But the wealthier nations, which are squeezed, resisted such a move.

[Timothy F. Geithner](#), the [United States Treasury](#) secretary, said Mr. Zoellick had “made a strong and compelling case” for the money that was approved. He pledged to seek Congressional support for the United States’ share of the capital increase, \$586 million or about \$117 million a year for five years.

“For every dollar the United States contributes to paid-in capital for the World Bank, \$26 worth of assistance is delivered,” Mr. Geithner said Sunday.

Mr. Zoellick carefully devised the capital increase and voting changes to be adopted together.

The \$5.1 billion in so-called paid-in capital, which the bank can use for day-to-day operations, will bring the bank’s cash on hand to about \$40 billion. Of the \$5.1 billion, developing countries will contribute \$1.6 billion in connection with a shift in representation that will give them 47.19 percent of voting power, up from 44.06 percent. The actions fulfill a pledge the bank’s members made in Istanbul in October.

In 2008, the bank’s members approved a smaller shift of 1.46 percent of voting power to the developing countries from the wealthy ones and added a 25th seat on the bank’s governing board, raising to three the number of seats for sub-Saharan Africa.

All told, the cumulative shift of 4.59 percent of voting power amounts to the greatest realignment in representation at the World Bank since 1988.

“As the developing countries gain more shares, they have to pay for them,” Mr. Zoellick said in the interview. “Part of the good story here is a burden-sharing story.”

The bank’s members approved on Sunday an \$86.2 billion general capital increase, bringing the bank’s total subscribed capital, not counting about \$26 billion in reserves, to \$276.1 billion. But except for the \$5.1 billion, that new money is “callable capital,” which resides with the member countries but can be drawn upon in an emergency. (The bank has never had to do so.) The callable capital lets the bank enjoy a top-notch credit rating and borrow at favorable rates. All but roughly \$40 billion of the \$276.1 billion is callable.

The bank’s members said it should redouble its focus on helping the poor, especially in

sub-Saharan Africa; invest in agriculture and infrastructure; promote global “collective action” on [climate change](#), trade and other priorities; combat corruption; and prepare for crises.

Mr. Zoellick, who served as the United States trade representative and then as deputy secretary of state under President [George W. Bush](#), said in the interview that the less wealthy countries were leading the global economic recovery, while the United States, Europe and Japan had rebounded more slowly.

“A lot of growth is coming from the developing world, and so the financing we do in the developing world is now beyond charity and social solidarity — it’s a question of self-interest,” he said. “They have become sources of demand.”