



International Financial Architecture (IFA) Working Group

PRESIDENCY NOTE

**G20 Presidency Note on
Representation at Top IFI Positions**

October 2024

I. INTRODUCTION

In alignment with the 2024 IFAWG work plan under the G20 Brazilian Presidency, a survey on the representation in top positions of International Financial Institutions (IFIs) (Annex I) was distributed to 25 IFIs.¹ The participation rate was relatively low, at 53 percent, with a detailed breakdown of responses by question provided in Annex II.

The findings of the survey are presented in this note, adhering to the principles of anonymization and confidentiality.² The responses were often heterogeneous, qualitative, and nuanced, making it challenging to present the results in a straightforward numerical format at an aggregate level without risking the disclosure of individual information.

II. RESULTS

Despite the limitations in reporting, several clear and significant patterns emerged from the data:

- 1. Formal Rules:** Typically, IFIs do not have diversity-related formal (de jure) rules for the process of selecting their top or top management positions. Regional institutions often have formal rules that understandably limit these positions to nationals of participating countries.
- 2. Merit and Diversity:** Typically, qualitative responses emphasized that IFIs value merit and diversity in the selection of top positions and top management positions. These principles are at times enshrined in the highest charters of IFIs, though without binding mechanisms for enforcement at top levels.
- 3. Unwritten Practices:** With very few exceptions, IFIs did not acknowledge in the survey responses the existence of common practices for filling top positions or top management roles. However, readily available historical data on IFI leadership suggests that unwritten practices do play a significant role in the selection process. These practices, especially for top positions, are often shaped by the perspectives of major shareholders.
- 4. Underrepresentation of Women and Low-Middle Income Countries:** The survey answers confirmed a significant and concerning underrepresentation of women in top positions and top management positions in several IFIs, despite some notable exceptions. Additionally, the survey answers confirmed that low and middle-income countries face low levels of representation among members of IFI management and staff, although response rates were lower for income classification and other groupings which impact the results and may generate biases.

1. In this note, 'top positions' and 'top management positions' typically refer to the first and second levels of the chain of command within each IFI, although definitions may vary slightly across institutions. The emphasis on these higher levels of hierarchy is crucial, as many institutions already publish comprehensive diversity and inclusion reports that cover broader staff levels.

2. The individual raw responses were shared only with the IFAWG co-chairs Korea and France.

III. CONSIDERATIONS GOING FORWARD

Diversity at the top levels of IFIs is not just a matter of fairness, but a key factor in driving the effectiveness and impact of these institutions. A diverse leadership fosters a wider range of perspectives and approaches, enhancing decision-making processes and leading to more inclusive and innovative solutions. By reflecting the diverse global community they serve, IFIs are better equipped to address the complex challenges of an interconnected world. Ultimately, strengthening representativeness at the highest levels contributes to the overall success and relevance of these institutions, aligning with their mission to promote global economic stability and development. Thus, enhancing representation in IFIs is integral to the broader policy debate on global governance.

The following considerations highlight key concerns to be kept in mind going forward:

- 1. De Facto Rules:** Unacknowledged, de facto rules influencing the selection of top positions and top management positions in IFIs pose challenges. Seeking to improve representativeness at IFIs through formal (de jure) changes to enshrine representativeness requirements at the highest charters would require potentially complex reforms. Conversely, relying solely on altering de facto approaches to enhance representativeness could lack needed traction. There may be scope for considering intermediate solutions that are flexible and structured. As an illustration, one IFI response highlighted the use of nomination committees to evaluate candidates for top positions, which could provide a basis for agreeing on common principles across IFIs for transparent and merit-based selection processes for top positions. Intermediate options could be considered by the Executive Boards of the respective institutions.
- 2. Underrepresentation of Women:** The persistent and glaring underrepresentation of women in top positions and top management positions, despite years of efforts to increase participation of women at various levels, is unacceptable.³ This “glass ceiling” effect highlights the need to address not only gender diversity but also other dimensions of diversity in top positions, where systematic data is often limited.
- 3. Income and Geographic Monitoring:** The limited responses on income classification breakdown underscore the need for additional information gathering as it relates to these groupings, along with more fulsome participation from the IFIs.

Going forward, to strengthen IFIs and support global governance reforms, it is important to systematize and harmonize the collection of data on representativeness in top positions across the IFIs, seeking to expand to dimensions of representativeness as much as possible. For instance, the inclusion of race and ethnicity breakdowns would also provide an important lens through which representativeness at top IFI positions could be evaluated. The efforts should involve tracking the second and third layers down from the top positions over time and, most importantly, making this information publicly available in a standardized format

3. An important question regarding representation of women which the survey did not address relates to representation at first and second layers at the Executive Boards of IFIs. Countries have complete control over gender balance of their Executive Board representatives.

at the individual IFI level. Gender balance at IFIs Executive Boards should also be monitored and IFIs should enhance their on-going efforts to publish targets and progress on diversity and inclusion across all staff levels. Achieving such degree of transparency would contribute to more effective and representative global institutions.

ANNEX I - SURVEY

1. For the top position in your organization, are there provisions in the status detailing the required nationality/region of origin? If yes, could you please include the text outlining this prerequisite?
2. For the other top management positions, are there provisions in the status detailing the required nationality/region of origin? If yes, could you please include the text outlining this prerequisite? In addition, could you please attach to this questionnaire the list of top management positions?
3. In case there are no provisions in the status, what are the common practices (explicit or implicit) to fill management positions? (Consistency with the geographical mandate; with the top sovereign beneficiaries; with the top shareholders, with gender balance requirements, diversity considerations, etc)
4. For the current top management positions, could you provide data (in % of the positions) for the last 5 years (on January 1st, 2019 and January 1st, 2024) on the repartition for:

a) Each region?

b) Each group of country by income-level (LIC, LMIC, UMIC, HIC)?

c) The top 5 shareholders/contributors?

d) The top 5 sovereign beneficiaries?

ANNEX II – RESPONSES AND BREAKDOWN

Question 1

Number of Institutions with Specific Nationality/Region Requirements

- **6 institutions** have listed specific requirements.
 - **42.9%** of institutions (6 out of 14) have specific requirements.
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Number of Institutions without Specific Nationality/Region Requirements

- **7 institutions** have no specific requirements.
- **50%** of institutions (7 out of 14) have no specific requirements.

Institutions that Consider Diversity in Selection, without Formal Requirements

- **3 institutions** explicitly mention considering diversity (geographic, gender, etc.).
- **21.4%** of institutions (3 out of 14) consider diversity in selection (geographic, gender, etc.), without formal requirements.

Institutions with Informal Practices Regarding Nationality/Region

- **2 institutions** have informal practices regarding nationality/region.
- **14.3%** of institutions (2 out of 14) follow informal practices regarding nationality/region.

Question 2

Number of Institutions with Specific Nationality/Region Requirements for Other Top Management Positions

- **2 institutions** have listed specific requirements.
- **14.3%** of institutions (2 out of 14) have specific requirements for other top management positions.

Number of Institutions without Specific Nationality/Region Requirements for Other Top Management Positions

- **12 institutions** have no specific requirements.
- **85.7%** of institutions (9 out of 14) have no specific requirements for other top management positions.

Institutions That Consider Diversity in Selection, without Formal Requirements

- **6 institutions** explicitly mention considering diversity (geographic, gender, etc.).
- **42.9%** of institutions (6 out of 14) consider diversity (geographic, gender, etc.) in their selection processes without formal requirements.

Institutions with Informal Practices Regarding Nationality Region

- **4 institutions** have informal practices regarding nationality/region.
- **28.6%** of institutions (4 out of 14) follow informal practices related to nationality/region in their top management selection.

Question 3

Institutions with Explicit Mention of Common Practices Regarding Geographic Representation, Shareholders, or Sovereign Beneficiaries

- **7 institutions** explicitly mentioned practices related to geographic representation, shareholders, or sovereign beneficiaries.
- **50%** of institutions (5 out of 14) use these common practices.

Institutions Focusing on Gender Balance and Diversity in Management Selection Practices

- **6 institutions** focus on gender balance and diversity as part of their management selection practices.
- **42.9%** of institutions (6 out of 14) highlight gender and diversity in their common practices.

Institutions Relying on Competitive, Merit-Based Selection Processes

- **4 institutions** explicitly stated that their selection processes are competitive and merit-based.
- **28.6%** of institutions (4 out of 14) use competitive processes.

Institutions Following Historical or Informal Practices

- **2 institutions** mentioned following historical or informal practices.
- **14.3%** of institutions (2 out of 14) rely on informal or traditional practices for top management appointments.

Question 4

Number of Institutions Providing Gender Data (2019 and 2024)

- **12 institutions** provided data on gender distribution in 2019 and 2024.
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- **85.7%** of institutions (12 out of 14) provided data on gender distribution.

Institution That Did Not Provide Gender Data

- **2 institution** did not provide gender distribution data for 2019 and 2024.
- **14.3%** of institutions (1 out of 14) did not provide data on gender distribution.

Institutions with Increased Female Representation (2019 and 2024)

- **8 institutions** reported an increase in the percentage of women in their top management positions between 2019 and 2024:
 - One institution increased female representation from **0% to 20%**.
 - Another increased from 8% to 14%, and another from **8% to 33%**.
 - Other institutions showed more modest increases, such as from **26% to 28%** and from **25% to 33%**.
 - One of the largest changes was an increase from **14% to 35%** in female representation.
- **66.7%** of institutions (8 out of 12) that provided data reported an increase in female representation.

Institutions with Decreased Female Representation (2019 and 2024)

- **2 institutions** reported a decrease in the percentage of women in their top management positions between 2019 and 2024:
 - One institution reduced female representation from **43% to 37%**.
 - Another saw a decrease from **34.88% to 31.58%**.
- **16.7%** of institutions (2 out of 12) that provided data reported a decrease in female representation.

Institutions with Unchanged Female Representation (2019 and 2024)

- **2 institutions** reported no change in the percentage of women in their top management positions between 2019 and 2024:
 - Both maintained the same percentage of women, with values of **10%** and **40%**, respectively.
- **16.7%** of institutions (2 out of 12) that provided data maintained the same gender distribution.

