

# Wolfowitz Speaks Out on Board Relations and Budget Process

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Posted By Anonymous

Fri, Feb 2, 2007, 14:24

Not to be off-topic, I would like to second the opinion that the level of participation on this forum and around this topic is a good sign. Thanks to the people in Internal Communications for giving staff the chance to comment so openly and (one hopes) safely and in a civil, professional manner. I hope the 12th floor will make note of this and accept the good with the bad.

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Posted By Anonymous

Fri, Feb 2, 2007, 13:17

It is true that a more openness about Board deliberations on serious subjects like Bank direction and strategy would be more consistent with our overall message, and that of our OECD shareholders, on transparency, openness and accountability. And the strategy paper was truly weak and needs to be seriously fixed, as the President has now asked the SA to help do. However, the real issue is the attitudes of people close to Mr. Wolfowitz about our Board, their use of language, and a very clumsy and now failed attempt to put pressure on the EDs, particularly when their reaction to the GAC paper and next steps was broadly supportive. That whoever spoke to Fox News was so wildly out of touch with Board, staff and management sentiment is also significant, but probably not surprising, unfortunately.

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Posted By Anonymous

Fri, Feb 2, 2007, 11:46

Anonymous? At least we are talking. That's the best thing that's happened this (awful) week. As for publishing the "raw" minutes of the Board meeting with "embarrassing" criticism of the President's proposed budget -- well, in government, interactions between Executive and Legislators are routinely published and sessions are open to the public. Lots of such sessions are critical. That's just government in action -- no one expects a hearing on a serious issue to be praise and flowers. Why does the World Bank persist in thinking that its governance should be shielded from scrutiny, and that the world will come to an end if someone knows what is said in the Board room? It would do all of us -- President, Board, staff and shareholders -- so much good if we were as transparent as we keep telling our client countries to be -- and as our OECD shareholders already are.

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Posted By anon

Fri, Feb 2, 2007, 11:30

I welcome the chance to make comments here. Thanks for that. However, has anyone asked Why are ALL of these comments anonymously posted? Is it fair to say there is a general feeling of fear running thru much of the staff? Why?

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Posted By anonymous

Fri, Feb 2, 2007, 11:03

Interesting analysis. What are some of the specific contributing factors to the central problem you diagnose?

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Posted By Anonymous

Fri, Feb 2, 2007, 08:49

Does the Board meeting signal a change in direction? The FOX news article was unfortunate but it is just another in a string of articles that point to a lack of confidence of a number of stakeholders in the current Bank leadership and a deep divide between many staff, the Board and the governments they represent, on the one hand, and the President and his advisors on the other. Wolfowitz is an effective communicator, but what will determine whether we see more articles like this and the NY Times Op Ed are the actions that Wolfowitz takes to bridge this divide. This Board meeting may provide some insight which may help the President clarify his approach. The clear lesson from the Board meeting was that the institution, when working together, is capable of extraordinary levels of consensus building on the most complex and difficult issues. The organization is all about the experience of its staff. In his interview, Wolfowitz does appreciate this capability. But this capability cannot be effectively harnessed if it is undermined by a management style that alienates the very organization that produced this outcome at the Board. There is nothing in the interview that suggests recognition of leadership as having contributed to the problem and having made such an extraordinary meeting necessary. We will be looking for more articles, and more actions, that signal a shift toward better leadership.

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Posted By Anonymous

Thu, Feb 1, 2007, 19:29

Of course it does. Minus the draft Board minutes the story almost certainly would not have been published.

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Posted By anonymous

Thu, Feb 1, 2007, 19:22

Putting out raw board committee minutes containing attacks on the president ended up hurting everyone including staff and the board.

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Posted By ANONYMOUS

Thu, Feb 1, 2007, 19:16

The story quotes "One longtime bank staffer in Washington". Who is it and what is their motive?

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Posted By anonymous

Thu, Feb 1, 2007, 18:40

The participants on the joint conference call with the Board Dean and the President about the January 30 Governance Board meeting were EFE, DPA, Reuters, AFP, Washington Post, New York Times.

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Posted By Anonymous

Thu, Feb 1, 2007, 17:24

With respect to the Board and Mr. Wolfowitz, the leaked documents are hardly the issue. The real problems (and the concerns therein) are the anonymous comments by the "top level" official cited in the Fox report. Those comments were the crux of the issues between management and the board. The kiosk announcement referenced below seems like more "spin" and avoids the truth.

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Posted By Anonymous

Thu, Feb 1, 2007, 16:31

I am overwhelmed by a sense of sadness, on many levels. First, because colleagues throughout the Bank are saying, "don't post comments from your computer – they can trace it to you. Find a service computer somewhere else." Conclusion: Fear and total lack of trust in our senior management. Second, such a public debacle is not becoming of the Bank. The Board of shareholders has every right to question and ask for clarity of senior management on any and all papers submitted to it. If they don't, then they have failed in their fiduciary responsibilities. Third, and most important, is the show of extremely poor behavior by the President's team. Regardless of the source of the leak (which can and does happen from time to time), the choice of words by staff in the President's office is reminiscent of American politics. In an institution where there are more than 100 nationalities representing 185 countries, we practice one restraint – respect and civility. A Wikipedia search resulted thus: "The word "buffoon" is derived from the combination of a donkey and a baboon in ancient literature. In the more modern sense, the term is frequently used in a derogatory sense to describe someone considered a public fool, or someone whose inappropriately vulgar, bumbling or ridiculous behavior is a source of general amusement. I am proud of and devoted to this institution and watching our "leaders" carry on a humiliating and ugly public mud-slinging circus is just simply too sad.

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Posted By Anonymous

Thu, Feb 1, 2007, 16:19

Comments on why IC had to run this article, why the Bank is in "gridlock", and appropriate accountability for those who had used Fox News to try to spin relations with the Board so unpleasantly and inaccurately, are not extraneous, or off topic. On the contrary, motivation and intent are at the heart of the issues, and of the stories being put out about them. They are of direct concern to many long-serving staff. A visibly neutral investigation would help, if speedier action by the interviewees is, for whatever reason, not on the cards.

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Posted By Sumir Lal

Thu, Feb 1, 2007, 15:46

Thanks everyone for this wonderful conversation. We in Internal Communications had exactly this in mind when we created this space. But could I just remind everyone to stay on topic, and not descend to the personal or bring in extraneous references. This space is to talk about issues that are of direct concern to us and our work which arise from the story in question, so let's keep it that way. That will help make it an enjoyable experience for everybody. Cheers.

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Posted By Anonymous

Thu, Feb 1, 2007, 15:28

Well, why would people who did not respect the UN Security Council respect the World Bank's Board?

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Posted By Anonymous

Thu, Feb 1, 2007, 15:20

Glad the Board is investigating -- this situation demands it -- but INT should not be involved. A clear conflict of interest. Much too close to the President and his advisors, much too political in its leadership. Needs -- dare one say this -- outside independent counsel reporting to the Board and Governors if the investigation is to have any credibility and help the institution. Of course the easiest and best thing would be a prompt resignation by the staff responsible, but it doesn't seem that these individuals care much about the institution anyway.

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Posted By Anonymous

Thu, Feb 1, 2007, 15:06

thank you for the link to the external website. though it has messed up the format of this comments forum, i am a bit surprised to see the introductory comments. is it prudent to have posted this on the external website for the world to see? and who are the "few" reporters that were invited to have this "interview or conversation?"

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Posted By Anonymous

Thu, Feb 1, 2007, 14:51

We should all forget about strategies, budgets and just hope the best .... and lots of paper. Yes "Hope for the Best Strategy"

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Posted By anonymous

Thu, Feb 1, 2007, 14:49

Joint Message from the President and Dean of the Board

<http://intranet.worldbank.org/WBSITE/INTRANET/KIOSK/>

0,,contentMDK:21204518~pagePK:34851~piPK:34971~theSitePK:3664,00.html Date: February 1, 2007 - 14:15

Sponsor: Executive Directors, Office of the President Tuesday a website carried a story based on the disclosure of

confidential board documents. The story contained an attack on the Board, the President and, most importantly, on the institution, which undermines the work of the Bank. Disclosure of such documents is a violation of Bank rules and we have jointly decided to have the matter investigated. The Board and the President dissociate themselves in the strongest terms from the personal attacks contained in the story. We believe deeply in this institution and its mission of helping the poorest people in the world to escape poverty. Trust, confidence, good communication and dynamic interaction between the Board and management is critical to achievement of this mission. President Wolfowitz said: "I have consistently maintained that the Bank is on a fundamentally sound course, although there is always room for improvement. My partnership with the Board is essential to achieving progress. The members of the Board bring both exceptional personal qualifications and the authority of their constituencies to Board discussions." Board Dean Eckhard Deutscher commented: "The Board is working constructively with the President. The dialogue between the President and the Board is strengthening the Bank, as exemplified most recently in Tuesday's Board meeting on the extensive Governance and Anticorruption consultations. I am confident in our ability to work effectively together with the President and management." Paul Wolfowitz Eckhard Deutscher President Dean of the Board

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Posted By Anonymous

Thu, Feb 1, 2007, 14:34

board meeting on governance Paul Wolfowitz and Eckhard Deutscher: Audio Press Call, Washington DC

[http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/](http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:21204344~menuPK:34476~pagePK:34370~piPK:34424~theSitePK:4607,00.html)

[0,,contentMDK:21204344~menuPK:34476~pagePK:34370~piPK:34424~theSitePK:4607,00.html](http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:21204344~menuPK:34476~pagePK:34370~piPK:34424~theSitePK:4607,00.html)

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Posted By Anonymous

Thu, Feb 1, 2007, 14:08

The leakage of documents by advisers from within Wolfowitz's circle shows a lively technical discussion at the level of the Board and shows that the Board is doing their fiduciary duty. But the reckless comments by people close to Wolfowitz are disturbing at many levels (in their view of Borrower representation, of the Board doing its job, i.e. governance, etc.). This article puts Management in an uneasy situation as the article suggests one of two scenarios: that Management purposefully meant to discredit the Board, or that they lost control of the communications and public relations function which begs the question of whether the right people have been assigned to this function, people who make a lot more money than EDs.

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Posted By Anonymous

Thu, Feb 1, 2007, 14:07

The timing of this article relative to the Board discussion on governance is reminiscent of the ludicrous Washington Post op ed that was published just ahead of the Board discussion on the HIPC Decision Point for Republic of Congo. There are also eerie parallels to the Joseph/Valerie Plame affair involving the U.S. government which evidently involved a concerted effort to disparage people critical of the Leadership.

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Posted By Anonymous

Thu, Feb 1, 2007, 14:00

The leaked documents do not support at all arguments brought forth in the Fox article. Using these documents to claim that the Board is incompetent and divided is a fallacious intellectual construct. The documents instead show that the Board is doing their fiduciary duty in asking for a little professionalism in the strategy and budget planning process. It is not unreasonable to ask for a clear strategy to inform the budget allocation process (After all, we ask our clients to do this!) nor is it unreasonable to ask for clear justification and consideration of staff issues when a 15% reallocation is proposed. The Board has been unanimous in their position in asking for clarity in the strategy and budget allocation process, the U.S. ED amongst them. For all Management's purported support of results, is it unreasonable for the Board to ask for a results-based budget? It is very evident that Management does not have a clear strategy to support their budgeting plans.

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Posted By Anonymous

Thu, Feb 1, 2007, 13:52

The Board have spotted some holes in the strategy and the budget. Hats off to them. However, I think holes in presidents socks are much more worrying for us all. Perhaps, we can set up a trust fund to buy Paul some new socks.

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Posted By Anonymous

Thu, Feb 1, 2007, 13:46

The most interesting insight from Fox was the attribution of names to comments in the board minutes. It is interesting to see who commented on what aspect of the budget priorities. That is something staff rarely see. As for the universal warnings about impending staff cuts within the Bank, what is the real story? The board and the president would do well to practise a little more "transparency" and talk with the VPs and managers and set the record straight.

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Posted By Anonymous

Thu, Feb 1, 2007, 11:41

I agree -- the Board would do better to demystify itself and have its transcripts routinely available. The transparency would do wonders to show (1) that we do have meaningful oversight and (2) when it is falling short. Long overdue!

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Posted By Anonymous

Thu, Feb 1, 2007, 11:27

They actually are. You can access the minutes (not the transcript) of the Board Meetings on the Bank's website. FOX news just presents the publicly accessible material as "hot insider files", to underline the notion of the alledged

"secrecy and rebellion" against the noble mission of the president.

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Posted By Anonymous

Thu, Feb 1, 2007, 11:20

Don't see the problem in the leakage. I believe that we should encourage Board discussions to be as open as possible to the public. If we are serious about transparency, this is where we should start.

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Posted By Anonymous

Thu, Feb 1, 2007, 11:19

A little less desperate "spin doctoring" and a little more attention to actual development issues might be a good idea.

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Posted By Anonymous

Thu, Feb 1, 2007, 11:08

Once again the president's "one top insider" has done him a real disservice-- by insulting board members and partners. Coming as the Bank seeks international support for an IDA replenishment, the entire episode of planting the story in Fox couldn't be more badly timed. With top insiders like this, who needs enemies?

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Posted By Anonymous

Thu, Feb 1, 2007, 11:06

There are too many contradictions between what is said in this interview and what has been reread, seen, and heard by the staff. 15%, 30%, now 3%-5%. The back line is being asked to reduce because of budget cuts. But the reallocations don't represent cuts? Who is driving what agenda? And as for the article on Fox, there is an element of "my lady doth protest too much."

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Posted By Anonymous

Thu, Feb 1, 2007, 10:44

To be credible, the President must take steps to reprimand -- publicly -- the staff close to him who supplied all this information to the Fox reporter and who served as sources for this article. The reporter states clearly that "one top insider in Wolfowitz's circle" was responsible for the personally insulting descriptions of Executive Directors. More importantly, those senior staff (who are paid far more than EDs) need to understand the oversight role of the Board. Apparently, like the former US ED, they think borrowers are not legitimate shareholders and should not be heard on decisions affecting their citizens. Management cannot unilaterally decide to head off in one or another direction without justification and review. Apparently Management has not been able to supply a coherent strategic plan for budget reallocation, and the Board was simply doing its job when this was pointed out. Interesting that this is what provoked this highly calculated outburst to this conservative news source.

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Posted By Anonymous

Thu, Feb 1, 2007, 10:28

If the budget decisions haven't been made yet, why are some units (like HR) already asking people to volunteer to "leave" the organization?

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Posted By Anonymous

Thu, Feb 1, 2007, 10:09

The timing of this article speaks volumes. Are we being treated to this propaganda because Fox news upsets staff? I think not. In fact, this is an obvious attempt by management (and a weak, non-informative one at that) to dissuade staff from attending this afternoon's Staff Association town hall meeting. I'll be at that meeting and I hope everyone else will as well.

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Posted By Anonymous

Thu, Feb 1, 2007, 09:05

It is hard to imagine that the average FOX News reader takes any interest in the World Bank. So why would FOX News come up with such a (biased, as expected) story other than at the specific request of somebody? This article has been exclusively placed to communicate to people in the Bank (who else would read and understand a CODE 'green sheet'?!?) and specifically to trigger unrest!

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Posted By Anonymous

Thu, Feb 1, 2007, 09:00

Why doesn't this article describe the actual outcome of the Board meeting on governance, which was as I understand that Directors told the President that more work was needed.

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Posted By Anonymous

Thu, Feb 1, 2007, 08:33

President Wolfowitz sounds good when he talks directly to us. Why does he not interact with us more often?

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Posted By Anonymous

Thu, Feb 1, 2007, 08:30

The Fox Article quotes "one top insider in Wolfowitz's circle" who goes on to insult Board members. Who is this top insider and did Wolfowitz know that this is what he was saying? It makes it look as if President Wolfowitz endorses these insulting comments.

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Posted By Anonymous

Thu, Feb 1, 2007, 03:28

For news article see: <http://www.foxnews.com/story/0,2933,248601,00.html>

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Posted By Anonymous

Thu, Feb 1, 2007, 03:09

It would have been useful to know a little more about what the Fox article actually said, and why this was an incorrect representation of the facts - otherwise this article has the flavor of propaganda rather than informative

reporting  
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