

“A very diverse group of people”

Insights into the World Bank – An interview with Dr. Evarist Baimu*

Dr. Evarist Baimu obtained his LL.B. from the University of Dar es Salaam in Tanzania, an LL.M degree from Harvard Law School in the USA as well as LL.M. and LL.D. degrees from the University of Pretoria in South Africa.

Prior to joining the World Bank in 2004, Dr. Baimu worked for four years in government, academia and international organizations in Dar es Salaam and Pretoria.

At the Legal Vice Presidency of the World Bank, Dr. Baimu has worked in the corporate finance unit as well as in the operations policy unit, where he contributed to the exercise that resulted in the adoption by the Bank in 2006 of an enhanced policy framework for sanctions in cases of fraud and corruption in World Bank financed projects. He is currently handling the Bank’s legal work in several member countries in Africa and in the Middle East.

Bonner Rechtsjournal (BRJ): Dr. Baimu, you work for the World Bank since 2004. Why did you choose to work for this institution?

Dr. Baimu: I would hesitate to say that working for the World Bank has always been my lifetime dream. I have been generally interested in working in the development area and have maintained interest in work that is research-related. After working with UNDP [United Nations Development Programme] initially and also at the Centre for Human Rights at the University of Pretoria, I went to the US to do a master’s degree. While I was doing my LL.M, the World Bank launched the Legal Associate Program and came to LL.M. Job Fair to interview LL.M. candidates interested in joining it. This seemed to be the right path to tread in terms of learning what the organization was doing in the development area and also an opportunity to get involved in the work of an international organization. So, that’s how I ended up working there.

BRJ: Thank you. During your studies did you work towards this position within the World Bank?

Dr. Baimu: Well, I had an interest in international organizations. At that point, apart from my LL.M. studies I was also doing a doctorate which focused on how rules of human rights and international trade interact in the context of trade in health services operating under the World Trade Organization framework. As an international organization, the World Bank was interesting. Around the same time, I also wrote an article, a book review, on the role of the World Bank and IMF [International Monetary Fund] in the context of human rights. But other than that I would not say I picked my courses to be a good fit for the organization. It so happened that what sparked my interest and what I was doing generally could be used in that context or was relevant for that purpose.

BRJ: Let us now enter the field of legal issues: Art. II Section 1 of the International Bank for Reconstruction and Development (IBRD) Articles of Agreement states that “[t]he original members of the Bank shall be those members of the International Monetary Fund”. Can you explain to us the differences between the International Monetary Fund (IMF) and the World Bank?

Dr. Baimu: The International Monetary Fund and the International Bank for Reconstruction and Development were both formed at the same time in the context of the Bretton Woods Conference in New Hampshire in 1944. They both intended to focus broadly on the same area but in a clearly different manner. It was considered very important that the two should be very closely related. On the one hand, the IMF is focussing more on financial stability and maintaining stable exchange rates while the Bank is focussing more on reconstruction and development and more specifically project financing, which IMF does not do. If you are looking at the horizon, the IMF is generally looking more on short-term and medium-term solutions while the World Bank’s perspective is generally more long-term oriented. If you look at the actual instruments, the main preoccupation of the IMF was for a very long time the maintaining of stability in the global financial system, which was anchored on the Gold Standard. Then, after this [Gold Standard] was no longer an important factor, the other dimension of the IMF’s work which is to offer financing to help countries correct financial imbalances, that is balance of payment problems, has become more important. But the World Bank also provides financing to correct imbalances in the context of development policy lending. However, the World Bank’s purpose there is not to correct

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balance of payment problems. Rather it is looking at the long-term, supporting policy reforms in certain sectors. So, the idea there is that Bank funding is important to get the reforms that will set the recipient country on the path to sustainable development in the long-term.

BRJ: *The Heavily Indebted Poor Countries (HIPC) Initiative exists now for 16 years. In the cases, where countries qualified under this initiative: Is there a high risk for countries years after the debt relief has taken place to default again? Do you have examples for that?*

Dr. Baimu: As a background HIPC is a joint programme of the IMF and the World Bank. Its objective is to provide countries which have unsustainable debt levels some kind of relief which would allow them to get back to a path of sustainable development by making resources which would otherwise be used for servicing their unsustainable debts available for development. And yes, there is a risk that the same countries that have benefited from debt relief may lapse back to the same problem. But, eventually, this is not something that international organizations are able to prevent. The IMF and the Bank are doing what they call the debt sustainability analysis to help the countries monitor the new debt that they are accumulating. This does not give these organisations powers to prevent countries from acquiring new debts. Eventually, it is on to the countries themselves – and the political leadership – to make sure that they don't fall back to the same situation where debt relief will be required. On your question of examples of countries that have defaulted after debt relief, Ivory Coast would be one, I think.

BRJ: *One of the first signatories of the IBRD Articles of Agreement, Greece, is now facing a severe debt crisis. The austerity measures which now are being implemented form part of a package of conditionalities. Do you think that, similarly to the HIPC Initiative, a debt relief would be the best solution for Greece?*

Dr. Baimu: I cannot claim to know much about all the technical details about Greece. Let's say, for the sake of argument, Greece has reached a level, where its debt is not sustainable anymore. If so, then perhaps all the possibilities, all options, should be on the table, including rescheduling to give more time for payment and probably also some sort of relief involving the reduction of debt.

BRJ: *To what extent has the sustainable poverty reduction, which is a central aim of the World Bank, been achieved? Can you name examples for that?*

Dr. Baimu: Development is a very fluid concept and some people would say it's kind of relative. But it is also true that there are actually hard measures that you can use to test whether poverty has been reduced. There are examples where numbers of people that have been lifted out of poverty are quite impressive. One of the more talked-about examples is China, which has been able to lift – over the course of a generation – over 600 million people out of poverty. Rwanda is also another good example which – over the years since 1994 rising from the genocide – has been able to achieve much in terms of setting itself on the path of sustainable development.

BRJ: *As you brought up the term of poverty reduction: It can be read that the World Bank is “committed to helping achieve the Millennium Development Goals (MDGs) because, simply put, these goals are our [that is the World Bank's] goals”. Why are MDGs, which at first sight cover development issues, compatible with the objectives of an organization whose originally purpose was to “to assist in the reconstruction and development of territories of members by facilitating the investment of capital for productive purposes” as outlined in Art. I(i) of the IBRD Articles of Agreement?*

Dr. Baimu: The quotation you have just referred to relates to the purpose outlined in the Articles. What the World Bank actually does, has evolved over the years. Today one can say that the primary focus of the institution is reducing poverty. If you look at the Millennium Development Goals, they all deal in one way or another with the different dimensions of this key goal. Look, for example, at the reduction of absolute poverty by 50% or achieving universal primary education, achieving gender parity and increasing the representation of women in the economy – these are all related eventually to development and so they are very much part of the objectives and goals the World Bank supports and is desirous that countries achieve. Overall, they are quite useful in drawing attention and bringing focus of the countries to work towards achieving them, which I think is a good thing.

BRJ: *The International Development Association (IDA) plays a vital role in regard to the achievement of the MDGs. Are you of the opinion that, especially in this area, it is of advantage that the World Bank consists of five organizations which consequently allows more flexibility regarding the activities in various areas?*

Dr. Baimu: I would say this is probably one of the important advantages or value propositions that the World Bank as a group brings to development – that you can look at different dimensions bringing different elements of investments (ins-



Dr. Evarist Baimu in the library of the Institute for Public International Law in Bonn

titution, tools, mechanisms) that all aim eventually to contribute to development. Development is not something that you have a silver bullet solution to. It involves working with the private sector, it involves bringing technical expertise, it involves maybe also giving guarantees or sort of insurances to other actors to get involved and bring more resources for development purposes. So, I think that this is key in the institution's contribution to the development endeavour.

BRJ: *Currently, there is a reform going on within the World Bank Group. It is expanding cooperation, for example, with the UN and the IMF. Bearing in mind the economic realities of the 21st century and the role of the developing countries, do you assume that there will be a substantive change after the end of this process?*

Dr. Baimu: Well, the point about cooperating with both of these institutions is essential. Whether it is dealing now with the financial crisis, whether it is looking at financial sector reforms and regulations – you need to work with the IMF. And there are many areas that overlap. Similar thing for the United Nations, particularly in connection with the work in what we call fragile states. Equally important is the collaboration with more specialised UN agencies in their areas of focus – for example UNICEF in connection with primary education or WHO in health. You need to get that cooperation going on and I think, at the highest level of the world's institutions, there is a desire to have incentives to make sure that their staff cooperate as much as possible.

BRJ: *Just one question concerning the World Bank itself: The World Bank, as you just said, is an international organisation and so part of the general notion of public international law. On the other side, it helps in creating public international law while bringing organisations such as MIGA (Multilateral Investment Guarantee Agency) into being. Why would you say is the World Bank so important nowadays?*

Dr. Baimu: Well, you have to refer back to its mission, reducing poverty. The fact of the matter is that you still have people who live in poverty. This is not just a question of statistics about living with less than two dollars a day – it is also about access to medication. It is about whether children are getting basic education, whether the youth are getting the skills they need to get the jobs. I think the World Bank – through its investment projects, through its technical advice and its convening capability – is doing activities contributing in addressing these issues. The other dimension which is equally important is what is called within the international community of states “community or public goods problems”, whether its challenges of dealing with climate change or whether it is looking at diseases that have been ignored. In these cases it is not always the case that you have a specialised agency that is exclusively looking at these issues in a very serious fashion and the World Bank together with other institutions contribute in filling institutional gaps. I think this is relevant not just for poor countries but also for wealthy countries. Eventually, environment problems do not necessarily follow any boundaries. So, it is in the common interest of the whole world and the international community to address them and the World Bank is actually making a contribution in addressing some of these global problems through financing, convening power and technical assistance.

BRJ: *Let us now leave the field of legal issues. What opportunities do law students have within the World Bank?*

Dr. Baimu: The legal department of the World Bank is very keen to have new, young lawyers heavily engaged in what the World Bank does. One of the flagship programmes that the institution runs is the legal associates program, which facilitates the entry for young lawyers, who want to get some experience with the World Bank to come in and learn what the World Bank is doing. More broadly speaking, there are two more programs – the junior professionals associates and junior professional officers, which also aim at bringing people that have just graduated (from legal studies or other areas of study) to get engaged with the work of the institution. Those are probably the three programmes that will be of most

relevance to law students. Of course, for those with other backgrounds besides law there is the young professionals program, which is – I would say – the main recruitment program for highly achieving professionals to join and participate in the work of the organisation.

BRJ: *Finally, what is your advice to law students? Why should they be striving to work for the World Bank?*

Dr. Baimu: It's three things: Of course, it is working in development arena, which I think is a very good thing to do and it is working among people, who do not only care about these issues but they want to get engaged and actually confront and work on them. I would also say it is the opportunity to work with colleagues who are highly accomplished professionals and with extremely high standards of quality of work, which is in itself very gratifying. Lastly – and staying on the theme of the colleagues – it is also one of the few global organisations, where you have a very cosmopolitan and a good mix of people from all over the world. The World Bank is an organisation with over 188 member countries. So, you are really looking at a very diverse group of people. You also get to work with colleagues with background in diverse disciplines. You may be a lawyer, but you work with economists, engineers and medical doctors. This kind of diversity is not something that you can find in many organisations at least at this scale.

BRJ: *Dr. Baimu, thank you very much for this interview.*



Dr. Evarist Baimu was interviewed by *Katja Breucker* and *Ioannis Georgiadis*.