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Accountability in Complex Organizations: World Bank Responses to Civil Society

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ABSTRACT[*]

Civil society actors have been pushing for greater accountability of the World Bank for at least three decades. This paper outlines the range of accountability mechanisms currently in place at the World Bank along four basic levels: (1) staff, (2) project, (3) policy, and (4) board governance. We argue that civil society organizations have been influential in pushing for greater accountability at the project and policy levels, particularly through the establishment and enforcement of social and environmental safeguards and complaint and response mechanisms. But they have been much less successful in changing staff incentives for accountability to affected communities, or in improving board accountability through greater transparency in decision making, more representative vote allocation, or better parliamentary scrutiny. In other words, although civil society efforts have led to some gains in accountability with respect to Bank policies and projects, the deeper structural features of the institution — the incentives staff face and how the institution is governed— remain largely unchanged.

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INTRODUCTION[1]

Among institutions of global governance, the World Bank is one of the most visible and most frequently targeted by civil society organizations (CSOs) located in both the global North and South. The critiques vary widely. On one hand are those who see the Bank as the fount of a neoliberal globalizing agenda responsible for increasing poverty and indebtedness by promoting inequitable projects and policies. On the other hand are those who see the institution as a necessary multilateral actor in global development, but much in need of reform. The tactics of these civil society critics have also varied greatly, ranging from highly visible protests and confrontations about social and environmental impacts of Bank activities, to more collaborative efforts with management and staff in order to gain influence from the inside.

What difference has this civil society activism made? *More specifically, how and to what extent have civil society actors furthered the accountability of the World Bank to its constituents?* The case of the World Bank is important to the central question of this volume for two main reasons: the Bank has not only been a major target of civil society activism, but it has also been comparatively responsive in developing various forms of engagement with civil society, possibly more than any other multilateral institution.

We begin this paper with a brief introduction to the World Bank, followed by a set of normative arguments on the key accountability challenges facing the institution. We then provide an overview of the accountability mechanisms currently in place at four different organizational levels in the World Bank. While this approach does not enable an investigation of each mechanism in depth, it has the advantage of situating accountability efforts within a complex organizational landscape, and the roles of civil society actors within it. We then discuss, in more detail, efforts undertaken by civil society groups to increase accountability — especially in terms of the Bank's own policies and projects. We note both the successes and failures of these reform efforts.[2] Finally, we close with some reflections on the implications of our analysis for understanding the deeper structural conditions of global governance.

THE WORLD BANK'S DEMOCRATIC ACCOUNTABILITY CHALLENGE

A Snapshot of the World Bank Group

Created in 1944, in the midst of World War II by delegates from all forty-four allied nations, the so-called Bretton Woods institutions were designed to serve two distinct functions. The International Monetary Fund (IMF) was to stabilize the international monetary system, particularly in response to the disintegration of the world economy resulting from the Great

[1] The authors are grateful to numerous individuals: to Jan Aart Scholte for his invitation to present an earlier version of this paper at the University of Gothenburg, Sweden in June, 2007 as part of a larger project on "Civil Society and Accountable Global Governance;" to Srilatha Batliwala for extensive comments and for crystallizing the "deep structure" element of our argument; and, to Rachel Winter-Jones, John Garrison, and Carolyn Reynolds-Mandel of the World Bank's Global Civil Society Team for their very helpful and generous feedback. Responsibility for the content and opinions reflected in this paper rests solely with the authors.

[2] We do not examine civil society initiatives that aim to shut down the institution, although we note that these are important both in their own right and in terms of adding pressure for reform.

Depression and the war. At the same time, the International Bank for Reconstruction and Development (IBRD) was formed with the more limited purpose of funding post-war reconstruction largely in Europe and Japan. Both were to be headquartered in Washington, D.C.

The IBRD later expanded its mission to the funding of "development" activities, and is now the primary lending arm of the World Bank Group which is comprised of five organizations: the IBRD, the International Development Association (IDA) , the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for the Settlement of Investment Disputes (ICSID). The mission of the group is "To fight poverty with passion and professionalism for lasting results. To help people help themselves and their environment by providing resources, sharing knowledge, building capacity and forging partnerships in the public and private sectors."[3] The focus of this paper is primarily on the IBRD and IDA, which are intended to provide funding to Southern governments for development activities, particularly to countries which might otherwise find it difficult to secure financing.[4]

Figure 1 is the official organization chart provided by the World Bank. The diagram points to several structural features relevant to accountability which are discussed further below: a) the organization has a two-tier governance structure, with a governing board made up of representatives from 185 member countries, from which an executive board with 24 directors is formed; b) the president reports to both boards, although he is selected by the U.S. government under an informal "gentleman's agreement" with the Europeans who select the head of the IMF; c) most of the units in the Bank (i.e., the regions and networks) report to a managing director who reports to the president; and, d) two units report directly to the board rather than to management (i.e., independent evaluation and the inspectional panel). Altogether, the World Bank Group employs about 10,000 staff, of which approximately seventy percent are based in Washington, DC (World Bank 2006c).[5]

[Figure 1 About Here]

Accountability Challenges

The normative arguments for increasing Bank accountability to citizens and civil society are a result of its role as both a *public* and a *development* organization. Not all global institutions examined in this volume have these two characteristics, both of which are accompanied by a set of expectations, or imperatives, about what constitutes accountable behavior.[6] First, as a public

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[3] See http://go.worldbank.org/DM4A38OWJ0, accessed August 30, 2007

[4] The IBRD provides loans to governments, charging interest to recover the cost of borrowing. The IDA was created in 1960 to provide concessional loans, often below market interest rates, to the poorest governments (Patomäki and Teivainen 2004), and now also provides interest-free loans and grants. The IFC and MIGA provide financing to the private sector, with the former providing loans and equity finance, and the latter encouraging foreign investment by providing guarantees against loss. The ICSID assists in settling investment disputes between foreign investors and host countries (World Bank 2006c).

[5] To put this number in perspective, consider that Microsoft Corporation employs about 76,000 people worldwide, and the Bangladeshi NGO BRAC employs about 40,000.

[6] Among the institutions studied in this volume, those with both a public and developmental purpose include the UN, the IMF, the OECD, the Global Fund, and the Commonwealth Secretariat. This is less explicit in the case of ICANN, the OIC, the WTO, and IFAT, or arguably even among leadership summits such as the G8 and ASEM.

institution, the Bank's legitimacy relies on decision making processes that, at the very least, conform to basic public expectations and norms about transparency, participation and responsive governance.[7] As the public increasingly expects that democratic principles will inform international as well as national decision-making, the pressure on international institutions to democratize and pluralize their decision-making will only rise. Indeed, most, if not all public international institutions have been forced to at least begin to re-align their decision-making with these expectations (e.g., Asian Development Bank 2004; United Nations 2004). The Bank, no less than these other institutions, is under public pressure to meet this challenge in order to earn and maintain public support for its policies and programs (Falk and Strauss 2001: 220) .

Second, the Bank's effectiveness as a development institution relies on a degree of inclusiveness and responsiveness to "the poor" whose lives are affected by its work. The World Bank has consistently found a high correlation between the extent and quality of public participation and overall project quality (World Bank 1996; 2000c; 2002a; 2006d). Moreover, democratic participation and accountability have also been shown to be critical in enabling societies to avert catastrophes such as war and famines by providing governments with the information and political incentives necessary to avoid them (Sen 1999: 51, 180-181; Singer 2002: 132). Equally important, development is now understood to be a multidimensional challenge that is broader than alleviating income poverty (Bradlow 2004: 207). It includes improving the capacity of the poor to exercise voice and political power to gain equitable access to resources and opportunities, and to defend their rights and interests in the political process (Narayan 1999: 7,12). As the World Bank has recognized, empowering the poor to influence the decisions that will affect their lives is therefore a critical dimension of development (McGee and Norton 2000: 68; World Bank 2002b: vi). This requires that the poor must be able to express their interests, and to impose sanctions on decision-makers that fail to respond effectively to those interests (World Bank 2004b: 79). Many civil society efforts to enhance accountability in the World Bank have thus sought to increase the influence of the poor, particularly through timely access to information, direct participation in the design and monitoring of development projects, and access to instruments of redress.

In other words, the World Bank faces two basic challenges related to democratic accountability: a challenge of democratic *legitimacy* premised on its public nature, and a challenge of *effectiveness* premised on its developmental purpose. As the scholar Ngaire Woods has argued, these dual challenges are inter-linked and mutually reinforcing, thus making it essential in institutions of global governance to enhance both legitimacy and effectiveness (Woods 2007).

THE LANDSCAPE OF ACCOUNTABILITY AT THE WORLD BANK

We turn now to an exploration of the various mechanisms of accountability currently in place at the World Bank. Table 1 is a preliminary attempt to organize the disparate range of mechanisms into four "levels" of accountability. The first column identifies the levels at which the

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[7] It should be noted that many of the governments of countries that are members of the Bank don't necessarily subscribe to such norms of good governance. Nonetheless, this does not obviate the fact that the Bank itself is a public institution that espouses norms of good governance, and it can thus be expected to uphold practices of transparency and responsiveness.

accountability mechanisms operate — i.e., whether they target staff, projects, internal bank policies, or board governance. The second column lists a number of mechanisms that are currently in place to varying degrees in the Bank, while the third notes some of the resultant accountability gaps. The levels are not sealed off from one another, but can interact. For example, Bank policies on disclosure or environmental safeguards ultimately affect both the compliance requirements at the project level, and the technocratic expectations at the staff level. Each level, and its associated "regime," is discussed in detail below.

[Table 1 About Here]

Staff Level Accountability

Like most large and complex bureaucracies, the World Bank has multiple and, at times, competing organizational cultures and incentive structures that influence its priorities, accountability, and effectiveness.[8] Attention to the people affected by Bank projects, and to civil society groups, is important as a means of enabling "downward" accountability to citizens, rather than simply "upward" accountability to donor governments.[9] What, then, are the incentives within the institution for staff to pay attention to the voices and interests of those affected by their projects? In other words, what are the incentives for encouraging participation by the poor?

Overall, task managers "paint a sobering picture of the environment for participation within the Bank" (World Bank 2000c: 25). Impediments to engaging project-affected people include insufficient funding, inadequate time for mission work in the field, pressure to process loans and disburse funds rapidly, and inadequate support from management (World Bank 2000c: 25-27; World Bank 2005b: 16, para 30). The main constraints may be grouped as follows:

- *Resources* for civil society engagement are significant, but are not systematically available for all projects. While there are considerable funds for conscientious task managers (or team leaders) who wish to seek them, they are not earmarked or allocated, a priori, across projects.[10] This means that task managers interested in citizen participation can obtain resources for it, but those who are less interested face no positive incentives. The problem thus remains that community participation and accountability are frequently viewed by managers as "add ons" and a drain on time and capacity. This is reflective of a broader climate within the Bank, in which participation is encouraged but not mandated.
- *Staff appraisals* do not evaluate the quality and impact of participatory mechanisms employed by staff. Staff have neither positive nor negative incentives to improve the quality of participation beyond compliance with the letter of consultation requirements. Guidance and training are optional, and incentives to improve participation skills are weak. As a result, consultations with citizens can be held for

[8] For a broader look at this set of issues, see (Tendler 1975; Wilson 1989: 90-110).
[9] The distinctions between upward and downward accountability in international development contexts draw from Edwars and Hulme(1996) and Najam (1996).
[10] Budgets for engaging the public have grown substantially and there are about 120 staff worldwide who serve as civil society focal points and have access to funds for organizing consultations with CSOs. Other resources to task managers include communications officers (some 300 across the institution) and about 100 public information centers worldwide (Email communication with World Bank Civil Society Team, August 31, 2007).

the limited purpose of technically complying with policy requirements, rather than to enhance accountability to affected communities.

- *Lending pressures* reward quick appraisal and disbursement, and deference to borrower governments. Moving money is valued for promotion, while attention to participatory monitoring and evaluation generally is not. Furthermore, rigid and short project cycles do not allow for time-consuming and labor-intensive participatory planning processes.
- *Technical expertise* is highly valued in justifying project and policy lending decisions, for recruitment, and for maintaining one's status in the organization. This deference to technical expertise appears to be at odds with considering a full range of alternative policy and project options which may require collaborative, rather than authoritative, use of knowledge. Thus, the emphasis on technical expertise serves as a disincentive to public engagement.

The accountability regime operating at the level of professional staff may be described as <u>*technocratic*</u> due to its emphasis on technical skills and knowledge, and the dearth of incentives and resources for citizen engagement and participation. These factors serve as disincentives, even to well-meaning staff, in spending scarce time and resources on developing means of downward accountability to citizen groups and affected communities.

These observations about the incentive structure for professional staff within the Bank are not new. An internal World Bank task force in 1992, headed by then Vice President Willi Wapenhans, famously described a "*culture of approval*" within the Bank. The Wapenhans Report called into question the credibility of the Bank's appraisal process, observing that many Bank staff used appraisals as marketing devices for securing loans – as part of "an 'approval culture' in which appraisal becomes advocacy" (World Bank 1992: 14, 16). Staff surveyed for that report provided various reasons for poor portfolio performance management, with the most significant factors being inadequate resources, especially inadequate time for supervision, deficient staff skills, distorted incentives, and pressures to lend (Thomas undated: 6; World Bank 1992: 17).

While it is not clear to what extent these same problems persist today, a 2005 Bank evaluation of its projects in Community-Based and Community-Driven Development (CBD/CDD) suggests they remain significant. For example, pressures associated with short project cycles remain unchanged, despite a recognition that the one-year subproject cycle typical of most Bank activities is too short for participatory community projects. In terms of resources for staff, the report notes "the Bank's preparation and supervision costs for CBD/CDD projects are already higher than for [other] projects, and there are no additional incentives for country directors to provide the additional resources required to prepare and supervise these operations" (World Bank 2005c: pp. 21, 46). More pointedly, an appendix to the same report includes feedback from a prominent advisory board member, Robert Chambers, who observes: "The staff incentive system of the Bank . . . rewards high and fast disbursements. This was a major factor which emerged from a participatory workshop for task managers which I facilitated a few years ago. Nothing I have heard suggests that this has changed significantly" (World Bank 2005c: 152).

Furthermore, the Bank's recent return to higher-risk large infrastructure projects, particularly in middle-income countries with better repayment rates, suggests that the pressures to move money remain strong. This is evidenced by a heightened concern that the transactions costs of its environmental and social safeguard policies are a substantial impediment to doing business in middle-income countries (World Bank 2001b; World Bank 2005a: 5,8), and even in poorer countries given the increasing availability of loans from China which come without such conditions (Wallis 2007). This erosion of the Bank's market, coupled with a deference to large borrower governments which may not be particularly receptive to citizen accountability and participation in the first place, serve to reinforce lending pressures at the expense of civil society engagement and downward accountability.

Yet, despite the institutional disincentives and lack of management support, task managers who are willing to attempt participation tend to believe strongly in its benefits. The overwhelming majority of task managers that employ participatory processes believe that it has improved the quality of the operations that they manage. As a result, experience with public participation motivates more participation (Rukuba-Ngaiza et al. 2002: 8, 25; World Bank 2005b: 21). Two units within the Bank — the Civil Society Team and the Participation and Civic Engagement Team — have consistently sought to support staff in engaging with civil society, and to raise the profile of such engagement within the institution.

Their recommendations for more systematically drawing on civil society experience and for improving the Bank's responsiveness to communities and civic groups were detailed in a report titled *Issues and Options for Improving Engagement between the World Bank and Civil Society* (World Bank 2005b). The report laid out a ten-point action plan, which included a review of funding opportunities and procurement framework for civil society engagement, developing new guidelines for collaboration with CSOs, holding regular meetings with senior management and the Board to review Bank-civil society relations, and better supporting staff through an institution-wide advisory service and learning program. Two years on, progress on this action plan has been mixed, having been slowed in part by two presidential transitions. On one hand, training offerings and a help desk have been expanded and revised, and guidance materials for mapping civil society are in development.[11] On the other hand, efforts to create a new formal mechanism for global civil society engagement have not been reciprocated by interest from international civil society groups (many of which were involved in previous consultative processes). As of late 2007, the Bank's engagement with civil society may thus be described as primarily issue- or country-focused, supplemented twice annually with civil society forums organized by the Bank around its fall and spring meetings.

Finally, two important accountability features at the staff level are the World Bank's Internal Audit Department, and its Department of Institutional Integrity (INT). The former overseas risk management and internal controls, while that latter investigates allegations of misconduct, fraud, and corruption at the Bank, both among its staff and its operations. Both units report directly to the Bank president (as shown in the organization chart in Figure 1). A look at INT's most recently available annual report suggests that it has been quite active: since 1999 it has sanctioned 337 firms and individuals for corruption or fraud; in 2005-6 alone it debarred 58 firms and 54 individuals; and of 78 staff cases it investigated in 2005-6, it fired or barred from

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[11] Personal communication with the World Bank Global Civil Society Team, August, 2007.

rehire 43 and disciplined eleven. The department also investigates allegations by whistleblowers, while providing confidentiality and certain protections against retaliation.[12]

At the same time, INT has come under heavy scrutiny from civil society for failing to uphold standards of integrity itself, with allegations including: a conflict of interest concerning the department director who also serves as a counselor to the Bank president (thus compromising credibility and independence from management); routine breaches of confidentiality during investigations between 2005-2007; complex personal, professional and financial relationships among the department, American political actors, and a corporate intelligence firm; a failure to comply with an authorized audit, which was suspended by former Bank president Paul Wolfowitz in March 2007; and a series of allegations concerning suppression of information or failure to investigate specific projects.[13]

Some of these critiques are supported by a review of INT by a panel of outside experts that was conducted at the request of the Bank. Headed by Paul Volcker, a former chairman of the U.S. Federal Reserve Board, the panel noted several important achievements by the department, but expressed concern about both the independence and operational context of INT. On the issue of independence, the panel suggested dropping the role of counselor to the president by the head of INT, and forming an external Advisory Oversight Board made up of "widely respected individuals with strong professional credentials drawn from outside the Bank" (Volcker et al. 2007:3). The panel also suggested modifications to the disclosure practices for greater transparency and to better enable cross checking of information for factual accuracy. The panel also noted "serious operational issues and severe strains in relations with some Operations units" observing in particular that:

> Investigators—even well-trained investigators acting with the highest professional standards—are not typically candidates for popularity prizes in any organization. Within the World Bank the tensions and resistance have been particularly strong. . . .There is a tendency as well to shrink from confrontation with borrowing countries . . .[that] is reinforced by a culture of the Bank that favors seeking out lending opportunities rather than simply responding to borrowing countries' initiatives and felt needs. (Volcker et al. 2007:8)

In sum, while the technocratic accountability regime at the staff level is supported by numerous formal mechanisms — staff appraisals, integrity and audit functions, and considerable resources for citizen engagement — there remain two key sets of gaps. The first, involving the Department of Institutional Integrity, concerns the actual independence of the unit from management, which has been called into question by allegations of conflict of interest and political interference. The second, and perhaps more critical, gap is the persistence of a culture of lending and approval within operational units, and the absence of incentives for task managers to systematically secure citizen voice and downward accountability. Although there are significant resources available to

[12] The Bank's whistleblower policy was under revision, in consultation with the Bank Staff Association, at the time of this writing.
[13] This critique is taken from a report released by a whistleblower group at the time of this writing (Government Accountability Project 2007).

task managers for citizen engagement, these are neither available a priori to all projects, nor are they backed up by incentives or mandates for participation. As a result, while the Bank has increasingly encouraged citizen participation and accountability to the poor, this is structurally undermined by the persistence of performance incentives and lending pressures that remain largely unchanged.

Project Level Accountability

The project level contains a number of highly developed mechanisms of accountability, many of which have emerged as a result of civil society pressure. The most noteworthy of these are:

- An *information disclosure policy* designed to increase transparency and access to Bank documents, and to make them available online and through *public information centers* in various countries and languages;
- A series of ten *safeguard policies* that detail the procedures and protections that must be followed when a project is likely to have significant social and environmental impacts;
- An *Independent Evaluation Group (IEG)* that conducts detailed analyses of Bank activities and is accountable directly to the Bank's board rather than to management. The aims of the IEG's evaluations are "to learn from experience, to provide an objective basis for assessing the results of the Bank's work, and to provide accountability in the achievement of its objectives."[14] The unit has frequently been critical of Bank activities, and its reports are often used by civil society organizations to buttress their own claims. Internally, a *Quality Assurance Group (QAG)* supports staff in improving the quality of projects and impacts, and was created in the mid-1990s as a result of IEG evaluations pointing to the failure of one-third of Bank projects to achieve their objectives.
- Two *complaint and response mechanisms* are also available to citizens and civil society, through which they may report possible violations by the Bank of its own policies (particularly of its social and environmental safeguards). These "redress" mechanisms are the World Bank *Inspection Panel* (for the public sector arm of the Bank) and the *Compliance Advisor/Ombudsman* (for the private sector lending arm).

This collection of project level accountability mechanisms may be described as part of a *compliance regime,* because of the emphasis on explicit internal policies and procedures that staff must follow.[15] *The core of the compliance regime is the safeguard and disclosure policies — and it is thus directly affected by the quality of the consultations at the policy level through which such policies are reviewed (discussed below*).

Since the 1980s, civil society organizations have mounted sustained advocacy campaigns to hold the Bank accountable for the negative environmental and social impacts of its operations.[16]

[14] See the IEG's website at www.worldbank.org/oed/about.html. This unit was formerly called the Operations Evaluation Department (OED).

[15] The Bank's evaluation mechanisms, such as the IEG, are not strictly part of a "compliance regime" since they do not focus on compliance with policies, but are more concerned with assessing project quality and performance.

[16] For an elaboration of these efforts, see Fox and Brown (1998: 2) and Keck and Sikkink (1998).

These campaigns have been successful in forcing the Bank to consider the negative impacts of its lending operations, and to adopt a set of safeguard policies on sensitive issues such as environmental impacts, involuntary resettlement, and the impacts on indigenous peoples.[17] For civil society organizations and affected peoples, these policies have become the touchstone of the Bank's accountability for the impacts of its projects. They represent normative commitments by the Bank regarding the planning processes and development outcomes that it will require for a project or program to be eligible to receive its support. They also establish minimum standards regarding how the rights and interests of locally affected communities will be protected, and provide some assurances that the costs of Bank-financed projects will not be disproportionately borne by vulnerable members of society or their environment. Some of the safeguard policies, including the Environmental Assessment, Indigenous Peoples, and Involuntary Resettlement Policies, also provide minimum guarantees that local communities will have the opportunity to participate in decisions that affect them.

Mechanisms of quasi-judicial accountability, such as the Inspection Panel (IP) and the Compliance Advisor/Ombudsman (CAO), kick in when public complaints are filed by persons who believe they have been harmed (or are likely to be harmed) by Bank-supported projects. The IP operates independently of Bank management, reporting directly to the executive board. In the fiscal years 2005 and 2006, it received seven complaints. Its investigations focus on determining whether the Bank has violated its own operational policies and procedures, particularly the safeguards. In contrast, the CAO plays a more flexible role in the Bank's private-sector operations, sometimes responding to complaints as an ombudsman, but also overseeing audits of compliance with social and environmental performance requirements. [18] In 2005 and 2006, it received 27 complaints, of which it accepted 18 for further investigation. The CAO reports to the Bank president (rather than the board) and also functions as an advisor to the president and management on issues of social and environmental policy (World Bank 2006d: 12-13).[19]

In short, the very existence of the Bank's safeguard policies and complaint and response mechanisms may be seen as a major "success" in civil society efforts to hold the institution to account. However, as we elaborate in the third section of this paper, some of these gains have been eroded in revisions of a number of safeguards in recent years, particularly at the IFC.[20] Similarly, we note a series of limitations in the Bank's disclosure policy.

Policy Level Accountability

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[17] The ten safeguard policies are: OP/BP 4.01 Environmental Assessment, OP/BP 4.04 Natural Habitats, OP 4.09 Pest Management, OP/BP 4.12 Involuntary Resettlement, OD 4.20 Indigenous Peoples, OP 4.36 Forestry, OP/BP 4.37 Safety of Dams, OPN 11.03 Cultural Property, OP/BP 7.50 Projects on International Waterways, OP/BP 7.60 Projects in Disputed Areas. For all safeguard policies, see http://go.worldbank.org/WTA1ODE7T0

[18] The private sector arm of the Bank includes the International Finance Corporation and the Multilateral Investment Guarantee Agency (IFC and MIGA).

[19] See also www.cao-ombudsman.org and www.inspectionpanel.org. The relative advantages of these two mechanisms for enabling accountability — the highly visible and independent nature of the IP process, as compared to the more agile and lower key approach of the CAO — have not been systematically examined.

[20] For an analysis of the IFC's review of its safeguards, see Bank Information Center (2007) and Halifax Initiative Coalition (2006). For a listing of concerns on the weakening of IBRD safeguards as a result of the Bank's Country Systems Approach, see Bank Information Center (2004).

During the tenure of World Bank president James D. Wolfensohn from 1995-2005, the institution revised several of its most important environmental and social safeguard policies, including those on resettlement, indigenous peoples, and forests. It also conducted strategic reviews of some of its most controversial lending practices—including structural adjustment lending and support for extractive industry and large dam projects. Each of these processes included a significant public consultation component. This reflects the World Bank's recognition that these review processes would not be considered to be legitimate or methodologically rigorous unless they included the perspectives of affected stakeholders (Sherman 2001: 4). This was an important advance over its approach in earlier generations of policy revisions, in which transparency and public input were far more circumscribed.

A number of these engagements were largely ad hoc in the sense that there were no formal protocols or guidelines for the design of the policy reviews. Moreover, many of the consultations suffered from a common set of problems: lack of clear objectives, mismatches in expectations between the Bank and civil society groups, and an eventual distancing (and in some cases rejection) by the Bank of recommendations emerging from those policy reviews. The resulting accountability regime can thus be described as ***consultative*** in the sense that civil society inputs were invited, but the degree to which they actually impacted the Bank's final decisions remains unclear.

The consultations with civil society did, however, result in the identification of two feedback mechanisms as being especially important, though not uniformly employed, for purposes of accountability. The first involved the distribution of iterative drafts of policy revisions for comment prior to board review. When employed, this mechanism allowed participants a chance to comment on how their inputs would be incorporated before final decisions were taken.[21] The second mechanism was a matrix that compiled all comments and explained how each input was addressed in the policy revision, or why it was not accepted. This mechanism, which was used by the Bank in developing its "Issues and Options" paper for improving relations with civil society, appeared to be gaining greater currency within the Bank towards the end of James Wolfensohn's tenure (World Bank 2005b: 50). However, as discussed further below, participants in these policy level engagements showed significant signs of fatigue towards the end of Wolfensohn's presidency, largely because of disillusionment on the part of both civil society groups and Bank staff with the results of the consultations. This frustration arose from the Bank's inability to manage the process — leading to unrealistic expectations on the part of CSOs as well as its own staff — and a failure to strategically integrate the consultations with an agenda for reform that it could reasonably take to the Board.

Bank staff point to the more recent global consultations, on its governance and anti-corruption strategy, as indicative of a much improved consultation process that has incorporated lessons learned from the past including, for example: posting background documents and consultation schedules on the web, translating documents into five languages, giving CSOs sufficient lead time to prepare, inviting prominent CSOs such as Transparency International to co-host

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[21] IFC's reluctance to produce such an "indicative draft" prior to Board review was a source of significant frustration in its Safeguards Policy review (Bank Information Center 2004b).

meetings, and summarizing and posting feedback received.[22] This experience also indicates that many civil society organizations continue to engage the Bank despite frustrations with past processes.

However, there are at least two reasons for avoiding reading too much into the anti-corruption consultations. First, in its own documentation of the consultation process, the World Bank notes that the consultation was described by several groups as rushed, particularly at the early stages, although it has also raised expectations that a more thorough process would follow (World Bank 2006b). Second, and more important, the anti-corruption consultations centered only on a very general strategy document which lacked specificity with respect to Bank policies or implementation. These consultations are thus not easily comparable to earlier dialogues that focused on more specific policy development. A more comparable test will arise in the Bank's next review of its information disclosure policy. Civil society groups that submitted written comments to the anti-corruption strategy were very clear about this difference:

> While we recognize that the focus at this stage of the process is still on collecting feedback on the strategy paper itself, we observe that there is little specificity in the proposed work plan. . . . [A]s external stakeholders, we do not have a clear sense of how practice within Bank Group operations will be evolving. It would be very helpful for the Bank to publicly share a more detailed update on the process by which implementation of the strategy will proceed, and identify clear opportunities for external stakeholders to contribute. (World Resources Institute Undated)

Other groups were harder hitting, pushing either for more clarity on the process, or urging the Bank to address corruption by adopting the recommendations of previous consultative experiences: "Although the strategy acknowledges the importance of participation, this principal has not been consistently reflected either in the priorities specific in the framework or in the formulation of the framework itself; . . . the framework should <u>explicitly</u> lay out consultation principles and strategy for engagement with key external stakeholders (emphasis in the original);" (Bank Information Center 2007) and "the Bank could lead on this by acting on the recommendations of the recent Extractive Industry Review" (Parliamentary Network on The World Bank Undated).

Board Level Accountability

Civil society organizations have also sought to increase accountability in the World Bank's formal governance — its boards. The governance structure of the Bank is based upon a corporate model, in which member government shareholders are represented by a Board of Governors. The Governors meet once a year, and delegate responsibility for supervising day to day operations to a Board of Executive Directors (commonly referred to as the board). Voting power on these boards is apportioned based on member governments' ownership share in the institution. Public voice and accountability is secured indirectly through state representation. In principle, management and staff are accountable to the member states through their board representatives, who, in turn, are accountable to their citizens. At face value, this structure appears to enable

[22] For details, see http://go.worldbank.org/APQ5N1BF30. The consultations were held in late 2006 and early 2007 in 37 developing countries and 12 donor countries, with about 3200 participants in total.

formal "upward" accountability to owner governments as well as "downward" accountability to their citizens, with greater accountability to those with the greatest financial investment in the institution. On the basis of this representational legitimacy, country governments and board members have sometimes chided civil society protesters with the critique "Whom do you represent?"

The World Bank's governance model has, however, been widely criticized as being inconsistent with the basic tenets of democratic and accountable decision-making. Many critics, including governments, civil society organizations, other international institutions, academics and Bank staff have observed that the Bank is not sufficiently representative, transparent, open to public participation, or accountable to those who are affected by its operations.[23] We outline only a handful of the major critiques here. The nature of accountability at the board level can be characterized as a *global capital regime*, largely because of the dominance of nation-states or blocks with large economies (i.e., the lending governments) over poorer nations that are the most affected by Bank operations (i.e., the borrowing governments), and the disproportionate influence of finance ministries coupled with the near-absence of scrutiny by elected parliaments. It should be noted at the outset that governance reform is probably the most "unsuccessful" arena in terms of civil society efforts to increase World Bank accountability.

The most commonly raised concerns about governance concern the disproportionate allocation of voting shares to donor countries on the Governing Board, and the inequitable allocation of seats on the Executive Board. Although the World Bank has 185 member countries, voting shares are apportioned to each member country roughly in accordance with the size of its economy.[24] This weighted voting system decidedly favors the major donor governments, particularly the United States. The G-7 countries control nearly 43 percent of the voting shares, with the United States alone controlling about 16.4 percent.[25] Meanwhile, the voting rights of many poor borrowing countries are so small as to be essentially symbolic. For example, the 46 sub-Saharan African countries have a combined voting share of only between 5 to 6 percent. This voting arrangement is problematic from the perspective of fair and democratic representation, because it disenfranchises those with the greatest interest in Board decision-making – i.e., the poorest countries that are most affected by Bank decisions have the least voice (Griffith-Jones undated; Nye et al. 2003: 67-68; United Nations 2005: 72).

This problem is compounded by the inequitable allocation of Executive Director seats. The Board is comprised of only 24 Executive Directors to represent all 185 member countries. This means that many countries must share representation. Eight of the most powerful countries are represented by their own Executive Directors, while the remaining 177 countries are grouped into 16 constituencies of 4-24 countries each.[26] These "constituent" executive directors are typically appointed for only two-year terms, thus creating incentives for them to represent the interests of their own country rather than the multiple countries they represent, particularly where

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[23] See, for example UNDP (2002: 112); Calieri and Schroeder (2003: 4); Bretton Woods Project (2003); and Woods (2003: 2).

[24] In reality, the formula for allocating voting shares underestimates the size of developing economies, and therefore affords them even less opportunity to influence decision-making.

[25] Based upon voting shares at the IBRD. These figures are published in the financial statements section of the World Bank's annual report. See World Bank (2007: 57-61).

[26] These are the United States, France, Germany, Japan, the United Kingdom, Russia, Saudi Arabia and China.

those interests are diverse.[27] Thus, the Executive Director that represents 24 sub-Saharan countries for a two-year period can not possibly be as effective for all these countries as the United States Executive Director, who represents one country, and is appointed for an indefinite term. Moreover, those constituencies that include both donor and borrowing countries are almost always represented by an official from a donor country (Calieri and Schroeder 2003: 4).[28]

This disparity in voting power between developed and developing countries creates a substantial moral hazard problem — since the donor countries that wield the most voting power do not borrow from the Bank, they are not accountable to citizens who bear the risks of their decisions (Bradlow 2001: 18).[29] The separation of decision-making power from political accountability allows donor governments to govern the institution in accordance with their own domestic political interests. As Ann Florini has observed, "[g]overnments, answerable only to domestic electorates, face few incentives to act for the benefit of someone else's constituency" (Florini 2003: 14). Notably, the heads of state that gathered in Monterrey in 2002 to address the problems of development finance stressed "…the need to broaden and strengthen the participation of developing countries and economies in transition in international economic decision-making and norm setting," and specifically called on the World Bank to enhance participation of all developing and transition countries in their governance (United Nations 2003: para 62).

Yet the problems of accountability to citizens in borrowing countries is more complicated than simply increasing the voting power of developing countries. Arguably, borrowing countries have less of an incentive than donor countries to increase transparency and disclosure practices or to strengthen social and environmental safeguards. It is the developing country members on the Bank's board that have tended to oppose reforms on issues such as gender equity, environment, participation and anti-corruption. The problem of board voting is thus not just about increasing the influence of developing country governments, but also about increasing accountability to citizens in those countries who are affected by their decisions.

Accountability to affected citizens is also undermined by weaknesses in transparency about board deliberations, and an absence of mechanisms for linking citizens in borrowing countries to executive directors. For most of the world's citizens, the chances of holding their representatives accountable are small. For one thing, public accountability of executive directors is significantly impaired by board secrecy.[30] But even if board deliberations were more transparent, it would still be difficult for citizens to determine how they were being represented, since decisions are

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[27] The expression was used by the Deputy Secretary of the U.S. Treasury. Lawrence Summers, Remarks to the Senate Foreign Relations Subcommittee on International Economic Policy and Export/Trade Promotion, January 27, 1999.

[28] For example, all Eastern European borrowing countries are represented by a Western European Executive Director.

[29] While the board's work is mostly done by consensus rather than by vote, a cynical interpretation of this practice is that it serves as a cover to insulate board members from accountability to citizens they claim to represent. When votes are taken, they are typically kept secret.

[30] Transcripts of meetings and summaries of Board discussions are not made public.Changes to the disclosure policy in 2005, however, allow for names of Executive Directors who wish to be recorded as abstaining from a vote or objecting (and thus the names of those who supported a decision may be inferred). They also allow Board minutes to be disclosed after approval by the Board, but members can redact any material prior to release. See World Bank (2005e: 4).

usually made by consensus without formal votes being taken.[31] Thus while the board does actually make minutes of its meetings available, these are sanitized documents – neither transcripts of discussions nor voting records are typically available. While individual directors are free to explain to their constituencies how they voted and why, few are required or choose to do so on a routine basis. Since votes are usually not taken, and since records of those votes and the deliberations that preceded them are not publicized, citizens simply do not know how their executive directors are representing them. Without this basic information, citizens have no way to hold their executive directors to account (Calieri and Schroeder 2003). Finally, there is nothing that citizens in one country can reasonably do to hold an executive director from another country accountable for his or her actions, despite that fact that the decisions of directors directly impact countries other than their own.

Representatives of borrowing governments are further disadvantaged by the balance of power between management and the executive directors. They often lack the kind of analytical support from parent ministries that helps donor Executive Directors to stay on top of the complex issues before them. Moreover, because Executive Directors that represent constituencies are rotated frequently, they have little time to master the issues before they are replaced. These Executive Directors are further disadvantaged by the widespread perception that Board approval is merely a ratification of decisions that have already been made by management in consultation with most powerful members, and that efforts to exercise influence are therefore essentially futile (IMF1999; Woods 2003). This is exacerbated by the fact that management and staff seldom divulge internal policy disagreements to the board, preferring instead to present a unified front in board discussions. As a result, the board is deprived of the opportunity to participate in these debates, or to hear and consider the alternative views of those whose arguments did not prevail within the organization.

In addition, representation of affected people is compromised by the fact that finance and development ministries of member states dominate decision-making. Although the World Bank is supposed to be the agent of its member states, it is in effect administered by a "club" of officials that represent only a narrow spectrum of the political apparatus of its member states—the finance and development ministries (Keohane and Nye 2001). Thus, the Bank is governed by "parts of governments working with similar parts of other governments," but excluding other, more democratically responsive, parts of their own governments (Nye et al. 2003: 4).[32] Representation by narrow and relatively unaccountable departments of the government raises serious questions about whether the broader public interest, or the interests of other constituencies are being adequately represented. In particular, citizens concerned about issues that have little to do with the authority or expertise of the finance ministries—such as poverty reduction, health care, human rights, gender equality or the environment—are not likely to enjoy responsive and accountable representation through this arrangement.

[31] While consensus decision-making would appear at first blush to neutralize the differences in voting power between the Directors, in practice it reinforces them without requiring that power to be explicitly invoked. Consensus does not require unanimity, but reflects the Chairman's "sense of the meeting," which is determined by the voting power of those who express their support or opposition to a given outcome (Birdsall 2003).

[32]While this problem may originate at the country level, with ministries of finance typically hold more power than others, it is reproduced and strengthened in global institutions where these ministries are accorded privileged positions.

A related and more significant problem is that the role of national parliaments in overseeing the behavior of directors is generally very weak. Legislators usually have only limited access to critical documents about World Bank and IMF operations in their own countries. Rather, key decisions have typically been made by the finance and development ministries (along with the World Bank and IMF), with only limited parliamentary participation and oversight (Halifax Initiative et al.,2004: 4). The independent Parliamentary Network on the World Bank (PNoWB) has recommended that the World Bank Executive Board refrain from approving certain documents (such as the Poverty Reduction Strategy Papers required of heavily indebted poor countries) unless they have been reviewed by the national parliament (Rowden and Irama 2004: 39). The Bank has maintained that such a requirement would violate its Articles of Agreement, which prevents it from interfering in the political affairs of any member country (World Bank 2005d).[33] Many parliamentarians counter that the Bank's focus on finance ministries as the fulcrum of fiscal and development policy making is itself political interference, insofar as it tends to alter the balance of power between the ministries and parliament (ActionAid International et al. 2005).

In democratic nation-states, governments typically bolster public accountability through a rubric of institutional checks and balances in which certain branches or agencies of government are empowered to oversee and sanction others. No such "horizontal" mechanisms exist at the international level to constrain Bank decision-making by force of law or threat of sanction. [34] Each of the potential mechanisms of horizontal accountability—the United Nations, the International Court of Justice, and international human rights courts and tribunals—is inadequate. Of these, the United Nations would appear to be the most promising, since the Bank is a Specialized Agency of the UN. However, the Relationship Agreement between the UN and the Bank specifically precludes the UN from involvement in the Bank's discretionary decision-making with respect to its lending operations.[35] The ICJ is also unavailable as an accountability mechanism because only states can bring cases before it.[36] Moreover, the Bank's Articles of Agreement preclude member states from bringing legal action against the Bank.[37] Finally, international human rights law as applied by courts and tribunals has so far proved equally unavailing. The Bank has argued that its Charter prohibition on interfering in the "political affairs" of its member countries limits how it can consider international human rights conventions (Shihata 1991; 1992). While civil society and academic observers have sharply criticized this argument, and the Bank may be rethinking this position, no court has yet addressed the parameters of the Bank's human rights obligations.

Finally, questions on the accountability of the Bank's president have received extensive public attention in the lead up to the resignation of Paul Wolfowitz in May of 2007. While the media hype and board deliberations centered primarily on whether the president abused the powers of his office in arranging a pay and promotion package for his partner, Shaha Ali Riza, a much

[33] The problem appears to be more at the executive level than the staff or management level, with the latter increasingly engaging parliamentarians with the PNoWB.

[34] See, for example, (Goetz and Jenkins 2002: 7; Grant and Keohane 2005; Oloka-Onyango and Udagama 2001).

[35] Agreement Between the United Nations and the International Bank for Reconstruction and Development (IBRD), art. IV(3) 16 U.N.T.S 346 (1948).

[36] Statute of the International Court of Justice, art. 34(1) (1945).

[37] IBRD, Articles of Agreement, art VII(3). World Bank loan and credit agreements do include arbitration provisions, but they have never been invoked.

more significant issue of public accountability has received considerably less attention — the presidential selection process. The former is a professional (staff-level) accountability issue, while the latter concerns governance-level accountability. The accountability of the Bank's president to the board and to citizens of member governments is severely diluted by the United States' prerogative to name the Bank's president. The informal arrangement in which the president is selected by, and therefore accountable to, the United States greatly enhances American power within the institution, while undermining the authority of the board (Kapur 2002: 60).[38] Because the president has considerable discretion in shaping the institution's agenda, rules and processes, the United States' prerogative to name the president means that it actually wields much greater power than its voting shares would suggest. This prerogative has been widely derided as being impossible to reconcile with basic principles democratic governance (Bapna and Reisch 2005; Bretton Woods Project 2003; IFI Democracy Coalition2005; UNDP2002). Thus, in 2001, a joint World Bank-IMF working group called for a meritocratic selection process open to qualified candidates of any nationality (World Bank and International Monetary Fund 2001). A number of civil society groups have long been pushing for reforms guided by two basic accountability principles: transparency of process, and competence of prospective leadership without regard to national origin.[39] In an unprecedented action, nearly one hundred current and retired Bank staff, including some vice presidents, signed a letter issued by civil society calling for reform. The chorus of change was joined by statements by the finance ministers of Australia, Brazil and South Africa, as well as by several U.S. congressmen (Goodman 2007).

In the end, these unprecedented calls for opening up the presidential selection process did not affect how the current president, Robert Zoellick, was selected. The U.S. is not about to relinquish its prerogative to name the president, and nor are the Europeans likely to give up theirs at the IMF. But the current president's legitimacy, like that of his predecessor, continues to be questioned by many civil society groups, and even by some member states and Bank staff — regardless of his qualifications for the position. This reinforces two fundamental challenges of democratic accountability facing global public institutions. The first is that problems of legitimacy (how the president is selected) matter as much as problems of effectiveness (the president's abilities to run the institution). The second is that the global capital regime, characterized by the concentration of power in the hands of a small number of wealthy states, continues to dominate the most important governance decisions in the World Bank.

In sum, the challenges of accountability at the level of board governance are the most daunting because the very foundations of governance — vote allocation proportionate to economy, representation by finance ministries, absence of parliamentary scrutiny, the US prerogative in presidential selection, and the relative voicelessness of the poorest and most affected actors — are at odds with fundamental premises of democratic decision making and accountability. This is also the arena in which civil society efforts for reform have had the least impact.

[38] While the US does not have a *de jure* right to have its nominee approved, and the process allows for anyone to be nominated by a member country, this is meaningless given the lack of political will in the US and Europe to give up their arrangements of "tradition."

[39] See, for example, a statement on "Leadership Selection Reform at the World Bank and International Monetary Fund" issued by the New Rules for Global Finance coalition in May 2007, with 676 signatories (www.new-rules.org/docs/imf_wb_leadership_selection051107.htm). Also see a letter signed by over 180 CSOs just prior to Wolfowitz's resignation demanding a "broader governance overhaul" (www.bicusa.org/en/Article.3289.aspx).

CIVIL SOCIETY EFFORTS AT THE POLICY AND PROJECT LEVELS

In the final third of this paper, we return to a closer examination of two types of engagements between the World Bank and civil society groups: a) consultations with civil society during reviews of major Bank *policies* concerning social safeguards, structural adjustment, and lending for large dams and extractive industries; and, b) participation by citizens and civil society groups in Bank *projects* and operations. We do not discuss further the staff and board level accountability challenges due to the comparatively limited civil society efforts and successes in those arenas.

Our aim below is to explore whether civil society engagements have led to changes in Bank policy and practice with respect to downward accountability to citizens and civil society groups. The description below is a summary of a more detailed report (seeHerz and Ebrahim 2005). It is important to note that this discussion refers only to civil society organizations that have chosen to engage in dialogue with the Bank in order to influence it. [40]

Civil Society Efforts to Influence Bank Policies

Civil society efforts to influence internal Bank policies can be traced back to at least the early 1980s, and are credited with a number of significant successes. In about 1983, a group of very large membership-based advocacy NGOs based in Washington DC began lobbying their members of Congress and the US Treasury to reform the Bank's environmental practices. Their efforts, combined with those of others inside and outside the Bank, contributed to the eventual creation of an Environment Department in the institution in 1987, and the formalization of an environmental assessment policy in 1989. These early successes helped build momentum on Bank advocacy and reform by a range of CSOs throughout the North and South. A growing number of civil society actors around the world thus began pushing for better disclosure of information by the Bank, and the establishment of an independent complaints mechanism, eventually leading to the formation of the World Bank Inspection Panel in 1994.[41]

Around the same time, innovators within the World Bank, began to look for more formal mechanisms through which to engage NGOs.[42] An NGO-World Bank Committee, comprised of NGO leaders as well as Bank staff, was formed in 1981. The NGO members of this committee, largely from the South, established an autonomous Working Group in 1984 to develop and coordinate their advocacy agendas. Throughout the 1990s, they were especially influential in building internal Bank support for a "participation" agenda, and pushed heavily for including Southern voices in the shaping of policies and projects. Their successes were numerous: the

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[40] As noted earlier in the paper, there are many organizations which choose, on grounds of principle, not to dialogue with the Bank and to opt for mechanisms of engagement that are more adversarial in nature. While such organizations play crucial roles in building external pressure for Bank reform, their impacts are more difficult to assess.

[41] Detailed accounts of these civil society advances are provided in a number of sources and are thus not repeated here (e.g., Clark, Fox and Treakle 2003; Fox and Brown 1998; Keck and Sikkink 1998; Long 2001).

[42] This historical summary draws heavily on Carolyn Long (2001), chapter 2.

creation of a formal NGO unit within the strategic planning division of the Bank, the launching of two important World Bank workshops on participation, the creation of a World Bank "Learning Group on Popular Participation" to analyze and build Bank capacity for participation in projects, and an ambitious effort to independently monitor the Bank's policies and projects with respect to participation.

But the Working Group's most important achievements were political and cultural: building legitimacy for civil society and citizen participation in a technocratic organization. These efforts were backed up by resources developed within the Bank — a *Participation Sourcebook* in 1996, and *Participation and Social Assessment: Tools and Techniques* in 1998 (Rietbergen-McCracken and Narayan 1998; World Bank 1996). The push for participation and engagement with NGOs received a further shot in the arm with appointment James Wolfensohn as Bank president in 1995, who created the new position of "NGO liaison officer" in the organization's country offices. By the year 2001, there were at 70 such officers in the Bank's ninety resident missions, and 120 worldwide by 2007, supported by two units at headquarters: the Civil Society Team and the Participation and Civic Engagement Team (based, respectively, in the External Affairs Department and Sustainable Development Network in the organization chart in Figure 1). However, even while all of this progress was being made, an analysis of the Working Group's experience pointed to a key concern: Bank efforts to implement participation were "half-hearted at best, and have not come close to reaching the goal of fully incorporating participation into its operations" partly due to the lack of an organizational strategy for doing so, thus leading to ad hoc efforts without adequate political or management support (Long 2001: 56). While that observation was made in the late 1990s, it remains true nearly a decade later.

In the decade commencing 1997, the Bank revised several of its most important environmental and social safeguard policies, and conducted strategic reviews of some of its most controversial lending practices. Each of these processes included a significant public consultation component, reflecting the World Bank's recognition that the legitimacy of these processes depends on a semblance of public accountability through the inclusion of the perspectives of affected stakeholders (Sherman 2001: 4). However, the structural problems faced by the Working Group continued to plague these efforts too. Because the Bank does not have clear and mandatory protocols for designing consultative processes, it created mechanisms on an *ad hoc* basis. Consultative efforts undertaken between 1997 and 2005 employed three different approaches to evaluating and revising global policies and strategies—*unilateral*, *independent*, and *collaborative*. These approaches differed in the extent to which the Bank retained the authority to structure the nature and timing of the public consultation process and to evaluate public inputs. In all three approaches, the Bank remained the final arbiter of how those inputs were to influence policy outcomes.

In the *unilateral* approach, public consultations are almost entirely Bank-structured. Bank staff devise the format and timing of public inputs, convene the public consultations, and evaluate public inputs. This mechanism is by far the most common, and most of the policy revision processes, including the Forestry, Resettlement, Indigenous Peoples, and IFC Safeguards policy reviews, and consultations around the Country Systems proposal, employed this approach. By contrast, the *independent* approach relies upon external experts or stakeholders to drive the process and formulate recommendations. In the World Commission on Dams (WCD), for example, the World Bank and the World Conservation Union (IUCN) established an independent panel of civil society, government, and industry experts to conduct a global review of development effectiveness of large dams (WCD 2000).[43] Similarly, in the Extractive Industries Review (EIR), the Bank commissioned an "Eminent Person" to conduct an external review of the development impacts of the Bank's project and policy interventions in extractive industries (Extractive Industries Review 2003). Under the *collaborative* approach, the Bank and its key stakeholders share responsibility in structuring the review and assessing its outcomes. For example, the Structural Adjustment Participatory Review Initiative (SAPRI) was conceived as a collaborative review, in which the World Bank, civil society organizations, and government officials would agree upon research approaches and participation procedures, and jointly assess the impacts of structural adjustment (SAPRIN2004).

Despite these improvements in access, many civil society organizations noted significant shortfalls in the policy dialogues. Many CSOs complained that their most important concerns were not adequately considered or addressed in these reviews. Civil society concerns were subordinated in different ways in each type of policy review process. CSOs generally gave the independent and collaborative reviews high marks for considering their priorities and for developing policy recommendations that thoughtfully addressed them.[44] Yet in each case, many CSOs felt that the Bank failed to adjust significantly its policy framework in response to the review's findings or recommendations. For example, the Bank refused to commit to the WCD guidelines for developing large dam projects, agreeing instead only to assist governments and project developers to "test" the recommendations in their projects (World Bank 2001c). Similarly, according to key civil society actors involved in the process, the Bank ended its involvement in the SAPRI review after accepting much of the background research in the review, but without revising its policies in accordance with the findings (SAPRIN2002: 23-24). For its part, the Bank maintains that the findings of the SAPRI review did influence its approach to poverty and social impact assessment, its Poverty Reduction Strategy (PRS) process, and its revised policy on Development Policy Lending (World Bank 2005f: 3). Finally, while civil society groups believed that the Eminent Person's recommendations in the EIR broadly reflected their concerns, civil society groups claim that the Bank agreed to adopt only a limited set of second-order or diluted recommendations.[45] Here too, the Bank claims that it adopted over eighty percent of the recommendations of the EIR. The unilateral policy revisions also displayed a similar divide, with many civil society organizations objecting that, far from addressing their most pressing concerns, the Bank used the opportunity to lower the standards embodied in the existing policy.[46]

[43] Although the WCD was not limited in its mandate to World Bank projects or policies, it is relevant here because it grew out of concern with World Bank support of large dam projects, was commissioned in part by the Bank, and was widely expected by participants to inform the World Bank's support for large dams going forward.
[44] For civil society reactions to the WCD see (Dubash et al. 2001; Herz and Ebrahim 2005: Appendix F; Imhof, Wong and Bosshard 2002). For civil society reactions to the EIR see BIC (2004a). More generally, see Lawrence (2005).
[45] See, the Forest People's Programme submission to World Bank-Civil Society Joint Facilitation Committee, in Herz and Ebrahim (2005: Appendix F, pp. 6, 12).
[46] See, for example: a letter from 113 NGOs from 35 countries to the World Bank President, James D. Wolfensohn, Dec 10, 1997 (on forest policy); a letter from the Center for International Environmental Law and International Rivers Network on behalf of 158 other organizations and individuals to James Wolfensohn, February 21, 2001, available at http://www.ciel.org/Ifi/wbresttleletter.html (on resettlement policy); a letter from 186 international civil society organizations to Executive Directors regarding World Bank Safeguard Policies (Country systems) available

The conflicting perspectives in these diverse policy reviews point to two common problems: the Bank's lack of follow through with civil society groups in how it actually uses reviews for changing its policies and practices; and an inability to use the review process to set and agree on achievable goals and priorities. Civil society groups involved in these reviews suggested that the Bank rarely articulates what it hopes to achieve from a proposed consultative process. It seldom clarifies which issues are, and are not, open for consideration, or what policy options are "politically feasible." Bank staff involved in the reviews suggest that civil society groups enter the process with unrealistic expectations. This has been a particular issue in "collaborative" and "independent" reviews, in which there is greater latitude for deliberations and recommendations to depart from established Bank orthodoxies. For example, the outcomes of the WCD and SAPRI appear to have so thoroughly transgressed the unspoken boundaries of political feasibility that the Bank distanced itself from the processes and refused to explicitly adopt their conclusions or recommendations.[47] The EIR also appears to have exceeded its political constraints in similar, but more limited ways. In the EIR, civil society participants and the independent Eminent Person believed that the review was to consider the threshold question of whether extractive industries investments were an appropriate vehicle for achieving the Bank's mission of poverty alleviation through sustainable development (EIR2003: 3). The Bank, however, was only prepared to consider a narrower set of recommendations on how to improve existing operations. As a result, the Eminent Person's recommendation that the Bank phase out certain operations was rejected by both management and the Board (BIC et al.2004).

On the issue of legitimacy, limited civil society participation in the design of these reviews caused them to get bogged down in disputes over process. Global policy reviews have almost invariably begun with an imbroglio between civil society and the Bank over the structure and process of the review, for two interrelated reasons. First, since the Bank has no mandatory requirements for whether, or how to, conduct a consultative process, the terms of engagement must be re-established each time. Second, although the Bank's Consultation Guidelines recognize that civil society organizations should have a role in designing the consultation process, the Bank has rarely tried to develop the framework for a given consultation in a collaborative way (World Bank 2000a). In the absence of rules that provide minimum procedural guarantees or negotiated agreements on acceptable mechanisms, process fights are all but inevitable.

The design of consultations has been particularly contentious in processes in which the Bank has taken a unilateral approach. For example, many civil society organizations boycotted the first stage of IFC's Safeguard Policy review because they believed that the duration of the consultation period and the lack of clarity on how feedback on drafts would be provided and incorporated foreclosed meaningful opportunities to influence outcomes.[48] Similarly, the Resettlement and Indigenous Peoples policy revision processes both began with protracted

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at http://www.bicusa.org/bicusa/issues/safeguard_policies_at_the_world_bank/1469.php; and an analysis on the weakening of safeguards by BIC and CIEL (2004).

[47] See, for example, a letter from Former Commissioners of World Commission on Dams to President James Wolfensohn, dated July 12, 2002, available at www.irn.org/wcd/021008.wbletter.pdf ; also see SAPRIN (2002: 23-25) and World Bank (2005b: 17).

[48] See various civil society statements available under the heading "IFC Letters and Statements" at www.grrr-now.org or at www.grrr-now.org/?action=showposts&id=456.

disputes over procedural issues such as whether there would be public consultations, how they would be structured, and how long the consultation process would last. The Bank made limited efforts to include civil society perspectives into the structure of the Forest Policy review, by inviting one civil society organization to assist in designing the consultation process. However, this approach also resulted in controversy. Many organizations objected that it was not sufficiently inclusive, and that it set up the assisting organization to play an inappropriate gatekeeper role in the process. These concerns took six months to resolve (Sherman 2001: 7).

Independent reviews have not been immune to such controversies. There, the question has been whether the external reviewers would be sufficiently balanced and independent of the Bank to ensure a fair process. For example, in the multi-stakeholder negotiations around the creation of the WCD, the question of whether dam-affected people would be represented on the commission was highly contentious and nearly led to the collapse of the discussions (Herz and Ebrahim 2005: Appendix F, pp. 9-10; Imhof, Wong and Bosshard 2002: 6). In the EIR, civil society organizations had no voice in the threshold decision of who would lead the review. While they did not seriously challenge this exclusion, they did raise a set of concerns about whether the Eminent Person and his staff would have sufficient independence from the Bank. It was only after the Eminent Person took affirmative action to assert his independence that civil society organizations decided not to renounce the process en masse. SAPRI may be the only process that avoided significant disputes over the initial structuring of the review process.[49] SAPRI's success in developing a work plan for public outreach that was acceptable to all stakeholders is attributable to the fact that the principle of collaborative design was adopted at the outset of the SAPRI process. Here too, despite this promising start, substantial disagreements over ideology, methodology and conclusions developed over time, and the collaborative nature of the process ultimately degenerated into mutual distrust and recrimination.

In linking the dual challenges of legitimacy and effectiveness, one of civil society organizations' most persistent and penetrating complaints has been that the Bank seems to consider the commitments that it makes to stakeholders during the course of its policy dialogues to be provisional. In particular, participants have expressed deep frustration with the Bank's failure to follow through on commitments with respect to issues of overriding importance to them. Two examples illustrate the problem. First, in the Indigenous People's policy review, senior management promised indigenous leaders that they would convene a "legal roundtable," in which lawyers representing indigenous peoples and attorneys in the General Counsel's office could discuss the Bank's obligations to indigenous peoples under international law. The Bank, however, delayed acting on this commitment for a year and a half, and when the Bank finally did make its lawyers available, they refused to discuss the central question of Bank obligations under international law.[50] Second, in the Forest Policy review, there was a broad consensus among many stakeholders that the new Forest Policy should address the indirect impacts of adjustment and programmatic lending on forests.[51] Bank management declined to address the issue, assuring

[49] The SAPRI Report explains that "a mutually respectful relationship developed between the SAPRIN Secretariat and the Bank counterpart, in its Policy Research Department that allowed the professional organization of the initiative during the project-preparation stage" (SAPRIN 2002: 23).
[50] See the Forest People's Programme submission to the Joint Facilitation Committee, in (Herz and Ebrahim 2005: Appendix F, pp. 8, 13).
[51] See: Letter from World Rainforest Movement, Forest Peoples Programme and Environmental Defense (USA), on behalf of 47 International NGOs to President James Wolfensohn June 28, 2004

civil society (and the Board) that these impacts would be addressed in the upcoming review of the structural adjustment policy. Specifically, management promised that it would revise the structural adjustment policy to include a "transparent mechanism for systematically addressing the environmental aspects, including in particular possible forestry impacts" (World Bank 2002d: 4). While the revised policy does address forest impacts, it is neither transparent nor systematic—it fails to specify minimum standards to ensure that adequate environmental assessments will be conducted, or that identified impacts will be mitigated (Jenkins and Gibbs Undated; World Bank 2004a: para 11).

The problem of commitment is exacerbated by the observation that the Bank rarely provides adequate feedback to inform participants how their inputs have influenced policy development. Participants expect to be informed about how their inputs have influenced outcomes. Where contributions are not adopted, they expect clear reasons for why other policy options were pursued. Such feedback mechanisms demonstrate respect for participants, introduce greater transparency into decision-making, and provide assurances that inputs have been meaningfully considered. However, Bank review processes have not consistently utilized feedback mechanisms to allow participants to understand how their insights and expertise have informed policy outcomes The Bank's failure to explain how public inputs inform policy making feeds the widespread perception that public inputs do not have a significant influence on policy (World Bank 2005b: 16).

In summary, it is difficult to underestimate the debilitating impact these policy experiences have had on the World Bank's credibility as an institution that is willing to listen and learn from its constituents. Cynicism and disillusionment have flourished in the space between the promise of meaningful participation and the perception of minimal influence. For many civil society organizations that repeatedly engage the World Bank on policy issues, these global consultative processes are iconic, and tend to define CSOs perceptions of whether their engagement in a proposed consultation process is likely to be useful or not. Thus, the decision of whether or not to devote organizational resources to a Bank consultation is often considered, in the first instance, by reference to past negative experiences. The threshold question that those who are considering engagement in a World Bank policy consultation almost invariably ask is, "How will this process be any more productive than the WCD, the EIR, etc.?"

Civil Society Efforts to Influence Bank Projects

The World Bank's project lending has often been a source of contention with civil society, with much conflict centering on issues local control, participatory decision-making, and project ownership. The Bank's own literature and research show that civil society participation in projects significantly improves project design, quality of service, and public support (Rukuba-Ngaiza et al. 2002: 14). It also increases transparency and accountability in contracting and procurement, while improving relationships between citizens and their public agencies (World Bank 2002c). Overall, it leads to better outcomes, lower risks, and increased development effectiveness (World Bank 2005b: 5-6, para 11, 13).

<www.forestpeoples.org/documents/ifi_igo/wb_8_6_ngo_let_jun04_eng.shtml> ; Letter from 113 NGOs from 35 countries to World Bank President, James D. Wolfensohn, Dec 10, 1997 <http://www.ciel.org/Ifi/wbresttleletter.html>.

In addition, the World Bank encourages its staff and borrowing governments to engage with civil society throughout the project cycle (World Bank 2000b). Since the early 1990s, the Bank has made some notable progress in improving participation in its projects. According to the Bank' Independent Evaluation Group, stakeholder participation rose from 32 percent of new projects approved in 1990 to 72 percent in 2006 (World Bank 2006d: 23). Similarly, consultations in Environmental Assessments rose from about 50 percent in 1992 to 87 percent by 2001 (Rukuba-Ngaiza et al. 2002). Modest qualitative gains are also apparent. In 1992, EA consultations were often limited to surveying affected groups and making the EA publicly available. By 1997, they included better use of public meetings, disclosure, and increased interaction between the Bank and stakeholders. And in 2006, Bank staff and partners were beginning to note the importance of improving information disclosure and increasing community access to participation at various stages of the project cycle (World Bank 1993; World Bank 1997; World Bank 2006a).

The actual influence of civil society on Bank-supported projects, however, remains limited and uneven. As with the global policy reviews discussed above, civil society efforts to improve accountability at the project level have been concerned with both effectiveness and legitimacy.

A common civil society concerns about accountability at the project level centers on problems of transparency and disclosure of information. The World Bank's Policy on Disclosure of Information provides that "timely dissemination of information to local groups affected by the projects and programs supported by the Bank, including nongovernmental organizations, is essential for the effective implementation and sustainability of projects" (World Bank 2002e). However, the policy does not require the release of some materials that are critical for informed participation. It does not require the release of certain draft project documents, which would provide citizens with information while decisions are still under consideration. For example, the Bank's Project Appraisal Document, which assesses the feasibility and justification for a project, is only made publicly available *after* financing for the project has been approved. Nor does the policy require the disclosure of supervision documents, which would enable civil society to better monitor implementation. In 2002, more than 500 organizations from over 100 countries called on the Bank to make such information public during its review of its information disclosure policy. And even where the disclosure policy requires documents to be made publicly available, there is no independent review mechanism to ensure that Bank staff respond appropriately to information requests (Saul 2003: 6-8). The failure to disclose project information at a time when it can inform public participation has constrained the abilities of citizens and CSOs to assess the merits and potential impacts of proposed projects (Guttal and Shoemaker 2004; Lawrence 2004). Arguably, it has also undermined public acceptance of the Bank and its projects by creating an impression that the organization has something to hide.[52] The Bank's disclosure policy is slated to undergo a formal revision, with consultations expected in 2008.

Another broad set of concerns focus on the Bank's project cycle, and the opportunities for civil society groups to participate and to hold the organization to account during that cycle. First, citizen participation usually does not occur until the project preparation and appraisal stage of the cycle. The Bank does not require that borrowers solicit public inputs during the early stages of

[52] See, for example, IFC (IFCUndated) and World Commission on Dams (2000).

needs assessments and project identification and design, when fundamental decisions about project type and risk are made, and when the full range of policy and project options can be considered. An OED review found that only 12 percent of sampled projects were participatory during project identification (World Bank 2000c: vi). A systemic bias against early consultation is also apparent in Environmental Assessments. Although a Bank operational policy (OP 4.01) requires public consultations to develop the Terms of Reference for an environmental assessment, consultations are typically held only after such terms have been produced. This remains true even though the Bank has found that many of its problem cases are related to deficiencies in spotting environmental issues early enough (Rukuba-Ngaiza et al. 2002: 9).

In other words, public consultations typically do not occur until the problem to be addressed has already been framed and the proposed response has been formulated. This limits the scope of participation to refining specific project proposals, rather than enabling deeper forms of public engagement and accountability. As a result, many participants have concluded that consultations are intended primarily to gain short-term public support rather than to improve long-term effectiveness and legitimacy.

Second, participation has also been weak during the monitoring and evaluation stages of the project cycle. The Quality Assurance Group at the Bank has identified poor quality monitoring and evaluation as one of four major "persistent problems" that have shown little improvement over the years (World Bank 2000d: 25). The Independent Evaluation Group has also found that only nine percent of sampled projects had participatory monitoring and evaluation, while an environmental assessment report found that only eight percent did so. Those that did, found them useful not only for improving implementation but also for cross-checking whether participants understood what the project impacts would be (Rukuba-Ngaiza et al. 2002: 16). Even those CSOs that are subcontracted to help implement Bank projects rarely participate in project evaluation (Ashman 2002: 8). This is despite growing evidence that participatory monitoring and evaluation can improve project sustainability, accountability, and ownership by affected people, can better enable implementing agencies to identify and respond to unanticipated problems, and can be used to capture lessons from individual projects in order to disseminate them throughout the institution (Ashman 2002; IFC Undated).

Third, complaints about the poor quality of participatory processes in projects echo those raised at the global policy level. Civil society organizations have frequently complained that participatory processes in Bank- supported projects are *ad hoc*, arbitrary, and poorly administered. These complaints include "lack of clear and consistent parameters for consultation and feedback, arrogance or defensive posturing by Bank staff, lack of transparency about who is invited, late distribution of consultation documents, lack of translation, and lack of funds to cover CSO time and travel expenses" and lack of attention to alternative project options (World Bank 2005b: 16-17, para 32). As a result, consultations have often amounted to little more than information dissemination exercises, in which affected peoples are notified of decisions that have already be taken elsewhere (Herz and Ebrahim 2005: Appendix F, p. 24).

The Bank's own reviews have largely concurred with this assessment. For example, OED found that participation is "often poorly planned and executed, rushed, superficial, failed to adequately include or protect the interests of marginalized groups, dominated by the more powerful and vocal, unrepresentative, or failed to make a difference" (World Bank 2000c: 11). Similarly, in its *Issues and Options* paper on Bank-Civil Society engagement, the Bank noted that "consultation guidelines are not widely followed," and consultations "often occur in an arbitrary fashion with very short notice and/or very late in the process." In part, this is because task managers tend to "'tick the box' that CSOs have been involved, rather than take proactive steps to ensure engagement is viewed as satisfactory by all stakeholders" (World Bank 2005b: 16). Best practice, in which participatory decision-making processes are developed through collaboration with local CSOs, governments, and appropriate international actors, remains the exception rather than the norm. Frustrations arising from this lack of deliberation and strategic clarity are further exacerbated by an absence of feedback mechanisms to inform civil society on how inputs are used.[53]

The problems of civil society access at various stages of the project cycle are further complicated by insufficient capacity in communities and CSOs to participate. This is a much greater problem for civil society groups operating at local levels than at the global level. Local CSOs and communities often several different kinds of capacities to meaningfully participate in project decision making: (1) the ability to understand and critique technical issues; (2) sufficient knowledge of their rights under national law and Bank policy; and (3) the skills necessary to negotiate with more powerful actors. Bank efforts to build capacity, where they exist, have tended to focus on technical skills. They typically do not seek to build long-term capacities or to enhance the negotiating and conflict resolution skills necessary for engaging with government officials and Bank staff (Rukuba-Ngaiza et al. 2002: 26; World Bank 2000c: 21). Anecdotal evidence suggests that Bank-led efforts to increase participation through capacity building are constrained by a lack of adequate funding and the absence of a centralized mechanism to support task manager initiatives. In a sign of change, however, the World Bank Institute is offering a growing number of training programs on process and empowerment issues.

Finally, civil society efforts to hold the Bank to account for projects are severely constrained by two systemic factors. First the Bank currently lacks adequate systems for capturing lessons learned from CSO engagements, and for tracking participation. Various Bank reports have noted that there is a lack of reliable or accessible data to track, monitor, and evaluate engagement with CSOs. They have also noted that there has been a failure to develop appropriate indicators of impact and effectiveness of participation. This is compounded by training and knowledge management systems that are inadequate for the needs of task managers, and a recruitment process that favours technical competence over skills needed for participatory activities. Addressing these deficits remains a major challenge (World Bank 2000c: 27, 30; World Bank 2005b: 16, para 31).

Second, there are few, if any, meaningful avenues for redress for citizens who believe that participatory processes have not been sufficient, or that the concerns that they have raised have not been adequately addressed in a project. The Bank's best-known accountability mechanism, the Inspection Panel, is not well suited to this task for two main reasons. First, while the Inspection Panel reviews compliance with mandatory and enforceable standards, there are few such standards with respect to participation for the Inspection Panel to apply. In most cases,

[53] For example, although the Bank requires citizen input in environmental assessments, it does not require consultations around the final EA and its environment management plan (Rukuba-Ngaiza et al. 2002: 11).

public participation is considered to be discretionary and "best practice." And the policies that do require consultation, such as the Environmental Assessment Policy or the Indigenous Peoples Policy, do not provide clear standards for evaluating their adequacy. Because the operational procedures afford so much discretion to Bank staff, it is exceedingly difficult for the Inspection Panel to conclude that staff did not comply with consultation requirements. Second, because the Inspection Panel process can be cumbersome, it lacks the agility to respond to complaints about participation quickly enough that they can be redressed before the project moves forward and the issues are mooted.

The Bank has, however, done some notable work to improve mechanisms of "social accountability," through which citizens can directly engage politicians and civil servants to improve public governance and service delivery. These include, for example, citizen report cards that provide a transparent mechanism for the public to assess the performance of public agencies (Malena, Forster and Singh 2004). But while the World Bank is increasingly supporting such initiatives among CSOs and governments around the world, it has failed to employ the same tools in its own operations.

In sum, World Bank efforts and reforms at the project level have resulted in increased consultations with citizens and improved social and environmental protections, but with very limited meaningful influence for and accountability to citizens. The absence of CSO participation throughout the project cycle has led some to view the World Bank's consultations as mere gestures in which participants are "treated like decorations . . . but their inputs [aren't] taken into account."[54] In cases where inputs are considered but not accepted, the Bank does not generally explain its rationale. This sense of exclusion is aggravated by a disclosure policy that makes much information available only after key decisions have been made. And within the Bank, efforts to improve the quality of engagement are undermined by inadequate benchmarks and standards, as well as weak learning systems.

CONCLUSIONS

The successes of civil society actors in increasing accountability in the World Bank have largely been at the project and policy levels. Sustained civil society pressure has been important to the introduction of environmental and social safeguard policies in the Bank, and the implementation of independent complaint and response mechanisms such as the Inspection Panel and the Compliance Advisor/Ombudsman. In this sense, CSOs have influenced the Bank at both the policy level by applying pressure to put safeguards in place, and also at the project level since that is where the safeguards and redress mechanisms are applied and where citizen participation can affect project design, implementation, and monitoring.

Good faith engagement at the policy level, however, appears to be in decline as a result of numerous consultative experiences over the past decade that ended without clear evidence of progress from the perspectives of many civil society actors. Two further tests at the policy level are likely to arise before the end of the decade. The first will lie in how the Bank conducts the

[54] This quote, made by a respondent in a consultation, is cited in two reports by the Bank's Independent Evaluation Group (World Bank 2001a: 3; World Bank 2002c: 2). It is not clear from the report whether the statement was made by a representative from a donor agency, government, or CSO.

upcoming review of its information disclosure policy and the degree to which it incorporates very predictable civil society demands for greater transparency and timeliness in the release of draft documents. The second major test will arise in the Bank's follow up to its anti-corruption consultations, and particularly on how seriously it engages civil society on issues of implementation. The consultative regime at the policy level is crucial to the Bank's overall accountability landscape due to its tight coupling with the quality and enforceability of the compliance regime at the project level. The current ad hoc nature of policy level consultations and the resulting mismatches in expectations on the part of both civil society and Bank actors, have led to increasing skepticism about such engagements. A more cynical view, in the words of Srilatha Batliwala, is that the Bank has succeeded through its consultations in achieving "overt accommodation and covert containment" of civil society.[55]

Civil society actors have been far less active in efforts to improve accountability at the staff level, especially in terms of altering the incentive structure for staff promotion in the World Bank. The technocratic accountability regime in place at this level tends to reward and promote staff for their technical expertise and abilities to move money. This is not new, but appears to remain central in shaping Bank culture. No doubt, there are many Bank staff who value engagement with civil society actors (and many who have come from civil society) and who seek to promote downward accountability to communities and citizens. But incentives and resource allocations in the institution do not lend themselves to supporting the slow and sometimes controversial work involved in such engagement. The main reform push at this level has come from actors internal to the Bank, such as its Civil Society Team and Participation and Civic Engagement Unit, which remain comparatively small within the institution.

The accountability gaps apparent at the level of board governance are perhaps the widest and least addressed, despite considerable civil society attention. The problems in this global capital regime — regarding vote allocation and executive director seats based on size of the economy, marginalization of borrowing governments most affected by Bank lending, lack of parliamentary scrutiny, and disproportionate U.S. influence including its role in presidential selection — are the most difficult because of their embeddedness in the global political economy. Yet, they are among the most crucial both in terms of the World Bank's legitimacy as a public institution reflective of global democratic norms, and ultimately in terms of its effectiveness as developmental actor with a pro-poor and anti-poverty mission. It is at these two fundamental levels, of board governance and staff incentives, that the potential for more meaningful accountability is greatest but where the deep structure of the World Bank remains largely unchanged.

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[55] Discussant remarks in response to an earlier version of this paper, delivered at a workshop on Civil Society and Accountable Global Governance in Gothenburg, Sweden, June 13-15, 2007.

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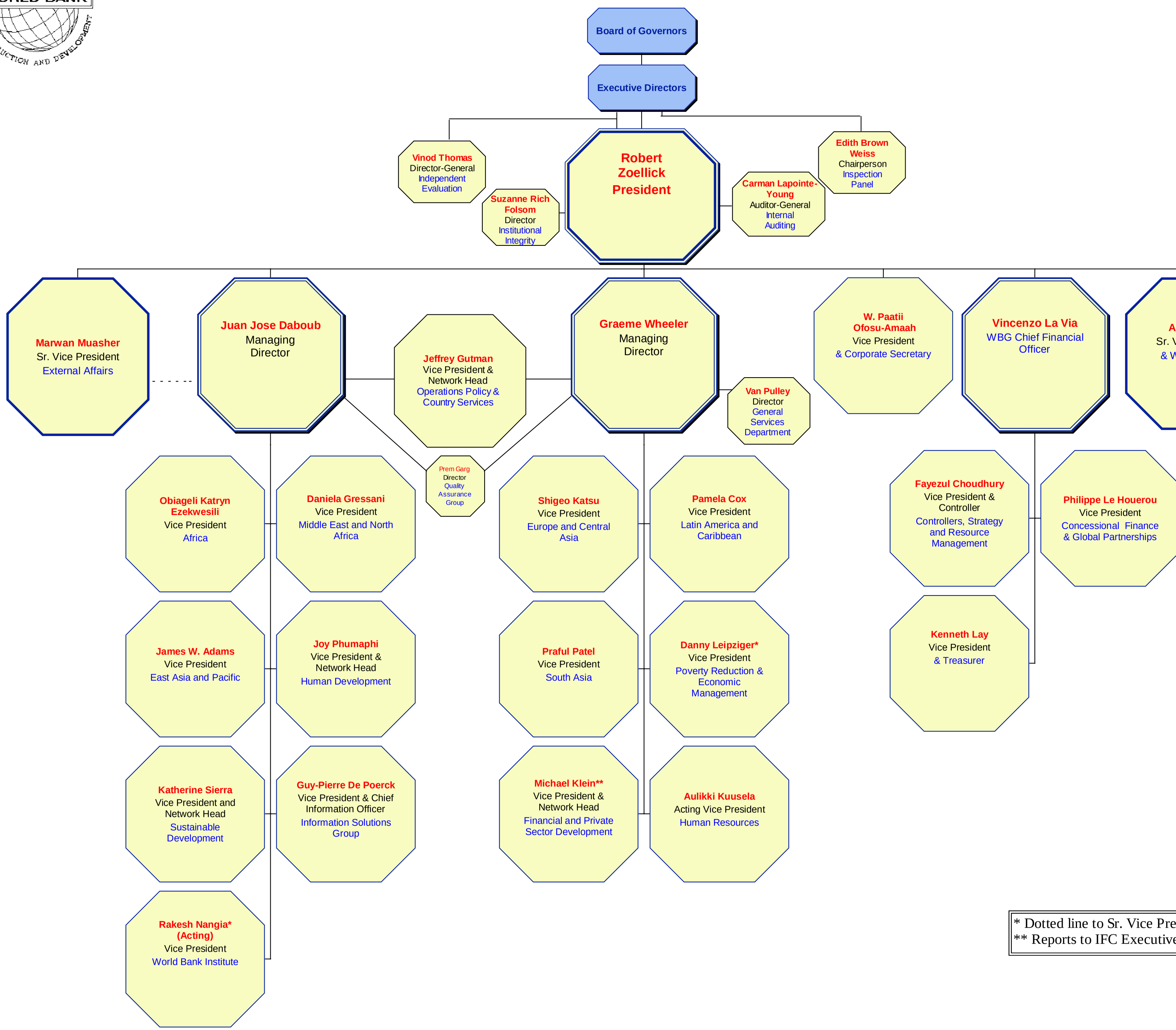
Table 1: The World Bank's Accountability: Levels, Mechanisms and Gaps

Level of Accountability	***Existing Mechanisms of Accountability***	***Gaps in Democratic Accountability***
Staff level (technocratic regime)	• Performance appraisals • Department of institutional integrity (INT) • Internal auditor	• Resources for public engagement are not mandated or allocated a priori • Performance appraisals do not reward citizen engagement • Lending pressures and a "culture of approval" • Conflicts of interest/independence in INT
Project level (compliance regime)	• Disclosure policy and public information centers • Safeguard policies • Independent Evaluation Group, Quality Assurance Group • Inspection Panel and Compliance Advisor Ombudsman	• Limitations in accessibility and timeliness of information • Little citizen participation in project agenda-setting, design, monitoring, and evaluation • No participation policy • Short project cycles • Constraints in the agility and accessibility of forms of redress
Policy level (consultative regime)	• Consultations with civil society • Distribution of iterative drafts of policy revisions • Explanations for why certain inputs are accepted or rejected	• Ad hoc protocols for policy formulation and design of consultations • Lack of clarity in objectives of policy reviews • Provisional nature of public commitments
Board level (global capital regime)	• Appointment of board members by their governments, and vote weighting proportionate to size of economy • Disclosure of board minutes (but not transcripts)	• Formula for allocation of votes and executive director seats that favors lending governments • Absence of parliamentary scrutiny of board members and Bank activity • Lack of transparency in board deliberation and voting • Lack of transparency and competition in presidential selection process

ORGANIZATION CHART OF THE WORLD BANK - July 2007

Figure 1:
World Bank Organization Chart



* Dotted line to Sr. Vice President & Chief Economist
** Reports to IFC Executive Vice President on IFC Business