Testimony of
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On
The World Bank's Disclosure Policy Review, and
the Role of Democratic Participatory Processes
in Achieving Successful Development Outcomes

Chairman Frank, Ranking Member Bachus, and members of the Committee: Thank you for inviting me to testify before you. My name is Alnoor Ebrahim, and I am an Associate Professor at Harvard Business School and a Principal of the Hauser Center For Nonprofit Organizations at Harvard University. I have worked as a consultant to the World Bank as well as to a number of international non-governmental organizations.

My testimony focuses on reform and accountability efforts undertaken at the World Bank over the past fifteen years, particularly those in which civil society organizations have played a significant role. It is based on research that involved interviews at various levels in the World Bank including mid-level managers, vice-presidents, and members of its executive board, as well as interviews with global civil society organizations (CSOs) that have engaged the institution on issues of accountability and reform.[1]

The World Bank is one of the most visible institutions of global governance and, compared to others — such as the International Monetary Fund, the World Trade Organization, various United Nations agencies, and other multilateral development banks, to name just a few — one of the most frequently targeted by civil society organizations. In comparison to its peer institutions, the World Bank has been relatively responsive to calls for greater accountability. This report examines accountability mechanisms at three basic levels in the institution: (1) project, (2) policy, and (3) board governance. There have been numerous improvements in accountability at the project and policy levels since the early 1990s, particularly through the establishment and enforcement of social and environmental safeguards and complaint and response mechanisms. But there remain major shortfalls. In addition, there has been very little change in staff incentives for better accountability to project-affected communities, or in improving board accountability through greater transparency in decision making, more representative vote allocation, or better parliamentary scrutiny.

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[1] This testimony draws heavily on research carried out jointly with my colleague Steven Herz, and was originally commissioned by the civil society members of the World Bank-Civil Society Joint Facilitation Committee (see Herz and Ebrahim 2005). Follow up work and analysis were carried out independently (see Ebrahim and Herz 2007 and 2010 forthcoming). The civil society perspectives discussed here are limited to those organizations that have chosen to engage with the World Bank on its projects, policies, or reform processes.

Before elaborating, I would like to emphasize one key point that is easy to lose sight of in discussions about accountability and reform, and which runs through the analysis: the World Bank is a *public* institution with the mission of fighting global poverty. *Hence, the legitimacy of any reform efforts relies on strengthening and enforcing this public purpose*.

In this spirit, there are four main recommendations that emerge from the research, which are developed further in the final section of this testimony. For the World Bank to enhance democratic participatory processes that can achieve successful development outcomes, it should:

- Establish mandatory minimum standards for public participation, supported by improved staff incentives and performance appraisals.
- Systematically incorporate public participation in decision-making at each stage of its project/policy cycles.
- Improve the transparency of its governance and operations, particularly for project-affected people.
- Expand and protect political space for democratic and participatory decision-making in national political processes.

CHALLENGES OF DEMOCRATIC ACCOUNTABILITY

Among institutions of global governance, the World Bank is one of the most frequently critiqued in terms of its accountability, and particularly *democratic accountability*. What is meant by this term? In the United States government, when one speaks of democratic accountability, there are a number of mechanisms that immediately come to mind, for example:

- Elections that enable citizens to directly express their voices and to judge the performance of their representatives (*vertical accountability*).
- Checks and balances that enable controls within government, such as oversight of the executive branch by the legislature, as well as the role of the judiciary (*horizontal accountability*). These are supplemented by mechanisms such as hearings, inspectors general, ombudsmen, oversight committees, etc.

Each of these mechanisms of vertical and horizontal accountability enables, to varying degrees, democratic accountability and responsiveness of government to its citizens (Goetz and Jenkins, 2002). However, the institutional infrastructure necessary for such mechanisms does not exist at the global level. In its absence, what are the options and arguments for democratic accountability in global governance institutions like the World Bank?

There are two main normative arguments for accountability in the World Bank frequently offered by civil society organizations:

- First, as a **public** institution, the Bank's legitimacy depends in part on decision-making processes that conform to basic norms about transparent, participatory and responsive governance. As citizens increasingly evaluate their national governments against these democratic standards, they are also insisting on the same attributes from regional and global governance institutions. This has created significant pressure on bodies such as the World

Bank to democratize and pluralise their decision-making, *especially with respect to those who are most affected by its work: the poor*.

- Second, as a **development** institution, the World Bank's effectiveness depends on a degree of inclusiveness and responsiveness to those who are most affected by its work. The declared mission of the World Bank Group is 'to fight poverty with passion and professionalism for lasting results' (World Bank, 2009a).[2] The 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). Equally important, development is now understood to require more than alleviating income poverty (Bradlow, 2004: 207). It also includes improving the capacity of the poor to gain equitable access to resources and opportunities, and to defend their rights and interests in the political process (Narayan, 1999: 7, 12). The World Bank has now recognized that empowering the poor to influence the decisions that will affect their lives is a critical dimension of development (McGee and Norton, 2000: 68; World Bank, 2002b: vi; World Bank, 2004b: 79).

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. These challenges may be considered at three different levels within the organization: 1) *projects* that the Bank supports in developing countries, coupled with staff incentives for improving accountability; 2) internal *policies* that guide the Bank's work; and, 3) *governance* in terms of the Bank's two boards of directors. Each of these three levels is discussed below.

PROJECT LEVEL ACCOUNTABILITY

At the project level, the World Bank has a number of highly developed mechanisms of accountability, many of which have emerged as a result of civil society pressure. The most widely known 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

[2] The World Bank Group comprises five organisations: the International Bank for Reconstruction and Development (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 IBRD provides loans to governments for development and poverty alleviation initiatives, charging interest to recover the cost of borrowing. IDA provides grants, as well as loans on highly concessional terms, to governments of the poorest countries. The IFC and MIGA seek to encourage private sector investment in medium- and low-income countries: the IFC by providing loans and equity finance; and MIGA by providing political risk insurance. ICSID provides a forum for settling investment disputes between foreign investors and host countries (World Bank, 2006c). This testimony focuses 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.

various countries and languages. This policy is currently under review (see further comments below).

- **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. [3]The safeguard policies have become the touchstone of the Bank's accountability in terms of its projects. They set norms regarding planning processes and development outcomes that a project or program must meet to be eligible for Bank support. They also establish minimum standards for the protection of the rights and interests of locally affected communities and provide some assurances that the costs of Bank-financed projects will not be disproportionately borne by the most vulnerable members of society or their natural environment. Some of the safeguard policies also provide minimum guarantees that local communities will have the opportunity to participate in Bank decisions that affect them.

- **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."[4] 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 quasi-judicial "redress" mechanisms are the World Bank *Inspection Panel* (IP) for the public sector arm of the Bank and the *Compliance Advisor/Ombudsman* for the private sector lending arm. The IP operates independently of Bank management, reporting directly to the executive board. In fiscal year 2008, it received 5 new complaints, for a cumulative total of 52 complaints, of which 21 had been investigated since its founding in 1993. The Panel's 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. In fiscal year 2008, it received 19 new complaints, for a cumulative total of 99 complaints, of which 61 had been assessed (or were under assessment) since its founding in 2000. The CAO reports to

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[3] 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

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

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).[5]

Despite these innovations, World Bank project lending remains a source of contention with civil society. Some of the key concerns, with respect to public participation, are:

- **Public participation is impeded by persistent problems of information disclosure and transparency**. The World Bank is currently undertaking a review of its information disclosure policy. The present 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 many materials that are critical for informed participation, such as certain draft project documents that would provide citizens with information while decisions are still under consideration. Nor does the policy require the disclosure of supervision documents, which would enable CSOs to better monitor implementation. Even where the disclosure policy requires that documents are made publicly available, there is no independent review mechanism to ensure that Bank staff respond appropriately to information requests (Saul, 2003: 6-8).

  Failure to disclose project information at a time when it can inform public participation has constrained the abilities of citizen groups to assess proposed projects (Guttal and Shoemaker, 2004; Lawrence, 2004). Arguably these shortfalls in transparency have also undermined public acceptance of the Bank and its projects by creating an impression that the organization has something to hide. A global network of CSOs has issued a model policy on information disclosure designed to address these and other concerns (Global Transparency Initiative, 2009).

- **Opportunities for citizen and civil society participation throughout the project cycle remain severely constrained**. On one hand, stakeholder participation has increased in Bank projects, rising 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). On the other hand, participation is lacking during crucial decisionmaking stages. For example, the Bank does not require that borrowers solicit public inputs during the early stages of 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. Civil society participation has also been weak during monitoring and evaluation stages of the project cycle. The IEG found that only 9 per cent of sampled projects had participatory monitoring and evaluation (Rukuba-Ngaiza *et al.*, 2002: 16). Not surprisingly then, the Bank's Quality Assurance Group has identified poor quality monitoring and evaluation as one of four major 'persistent problems' that have

[5] 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.

shown little improvement over the years (World Bank, 2000d: 25). A subsequent assessment found that, while the quality of project supervision had generally improved, monitoring and evaluation of results showed persistent weaknesses (World Bank, 2007b).

This neglect continues despite substantial evidence that participatory monitoring and evaluation can: (a) improve project sustainability, accountability, and local ownership; (b) help implementing agencies to identify and respond to unanticipated problems; and (c) capture lessons and disseminate lessons learned from individual projects (Ashman, 2002; IFC, undated). 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).

- **Participatory processes in Bank-supported projects are *ad hoc*, arbitrary, and poorly administered.** Civil society 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). Some consultations have amounted to little more than information dissemination exercises, in which affected peoples are notified of decisions that have already been taken elsewhere (Herz and Ebrahim, 2005: Appendix F, 24).

  Overall, the Bank has lacked an effective organizational strategy for improving civil society consultation. The Bank's own reviews have largely concurred with this assessment. For example, 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). The Bank does not collect satisfactory data to track, monitor, and evaluate engagement with CSOs, and nor has it developed appropriate indicators of impact and effectiveness of CSO participation.

- **Citizen access at various stages of the project cycle is further complicated by insufficient capacity for effective participation by local CSOs.** These actors often lack: (a) abilities to understand and critique technical issues; (b) sufficient knowledge of their rights under national law and Bank policy; and (c) skills to negotiate with more powerful actors. Bank efforts to build CSO capacity, where they exist at all, have tended to focus on technical information and typically do not seek to enhance negotiation and conflict resolution skills (Rukuba-Ngaiza *et al*., 2002: 26; World Bank, 2000c: 21).

- **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, 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 currently lacks adequate systems for capturing lessons learned from citizen engagement 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 favors 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).

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 limited meaningful influence for and accountability to citizens. The absence of stakeholder 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."[6] 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.

Staff Incentives at the Project Level

Efforts to improve World Bank accountability at the project level thus present a paradox. On the positive side, the Bank has developed policies on safeguards and information disclosure. Basic notions of citizen participation have also gained currency in the institution. But why does participation remain *ad hoc*? Why are improvements in the quantity of participation not

[6] 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.

necessarily accompanied by advances in its quality?

In some measure this disconnect may be ascribed to the Bank's failure to align accountability initiatives with corresponding adjustments to its staff incentive structure. Like most large and complex bureaucracies, the Bank has multiple and, at times, competing organizational cultures that influence how its procedures and stated priorities are actually implemented. Generally, World Bank task managers 'paint a sobering picture of the environment for participation within the Bank' (World Bank, 2000c: 25). Impediments to engaging project-affected people have included insufficient funding, inadequate time for work in the field, pressure to process loans and disburse funds rapidly, and inadequate support from management (World Bank, 2000c: 25-7; World Bank, 2005b: 16, para 30).

The main constraints may be grouped as follows:

- **Lending pressures reward quick appraisal and disbursement**. Moving money is valued for promotion, while attention to participatory planning, monitoring and evaluation generally is not. The pressure to lend results in rigid and short project cycles that do not allow for time-consuming and labor-intensive participatory processes. A 2005 Bank evaluation of its projects in Community-Based and Community-Driven Development (CBD/CDD) found that the pressures associated with short project cycles remain significant, despite a recognition that the one-year subproject cycle typical of most Bank activities is too short for participatory community projects (World Bank, 2005c: 21, 46). This problem of reward structures has been recognized for some time, but the Bank has done little to correct it (World Bank 1992: 14, 16) .

- **Staff performance 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. Arguably, better project outcomes as a result of participation could provide a positive incentive; however, these are offset by stronger incentives to move money and perform on short budget cycles, rather than to achieve results on the longer time horizons of project impacts.

- **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.[7] This means that task managers interested in citizen participation can obtain resources for it, but those who are less interested face no positive incentives. For example, the CBD/CDD evaluation found '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

[7] 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).

prepare and supervise these operations' (World Bank, 2005c: 21, 46). 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.

- **Deference to technical expertise appears to be at odds with considering a full range of policy and project options.** Technical expertise is highly valued in justifying project and policy lending decisions, in staff recruitment and promotion, and for maintaining one's status in the organization. The emphasis on technical expertise serves as a disincentive to public engagement which instead require collaborative, rather than authoritative, use of knowledge. The emphasis on technical skills, combined with a dearth of incentives to undertake civil society consultation, serves to dissuade even well-meaning staff from 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).

Furthermore, the pressure to lend may be increasing as the World Bank responds to changes in its traditional markets. The Bank has in recent years returned to higher-risk large infrastructure projects, particularly in middle-income countries with better repayment rates. Project staff have worried that the transaction costs of the Bank's environmental and social safeguard policies are a substantial impediment to doing business (World Bank, 2001a; World Bank, 2005a: 5, 8). Moreover, in poorer countries China is increasingly making available loans that are not encumbered with environmental and social conditions. This competition may further reinforce lending pressures at the expense of civil society engagement and downward accountability (Wallis, 2007).

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 World Bank — the Civil Society Team and the Participation and Civic Engagement Team — have consistently sought to support staff in engaging with CSOs and to raise the profile of such engagement within the institution. These teams have offered detailed recommendations for more systematically drawing on civil society experience and for improving the Bank's responsiveness to communities and civic groups. Their report, *Issues and Options for Improving Engagement between the World Bank and Civil Society*, laid out a ten-point action plan (World Bank, 2005b). Proposals included a review of funding opportunities and procurement framework for civil society engagement, the development of new guidelines for collaboration with CSOs, holding regular meetings with senior management and the Board to review Bank-civil society relations, and better staff support through an institution-wide advisory service and learning programme. Progress on this action plan since 2005 has largely consisted of new training offerings and mechanisms for assistance with engagements.

In sum, while the World Bank has increased CSO consultations around its projects and improved social and environmental protections as a result, public accountability remains modest and uneven. Downward accountability is limited by a disclosure policy that makes much information available only after key decisions have been made, and by an absence of CSO participation throughout the project cycle. Although considerably increased resources are available to task managers for citizen engagement, performance incentives continue to reward the quantity and speed of fund disbursement rather than meaningful civil society participation for improved project quality.

POLICY LEVEL ACCOUNTABILITY

Civil society efforts to influence World Bank policies (as distinct from specific projects) can be traced back to the early 1980s and have booked a number of significant successes. In about 1983, a group of large membership-based advocacy NGOs with offices in Washington, DC began lobbying Congress and the US Treasury to reform the Bank's environmental practices. Their efforts, combined with those of other actors inside and outside the Bank, resulted in the creation of an Environment Department at the Bank in 1987 and the formalization of an environmental assessment policy in 1989. These early successes helped build momentum on Bank policy advocacy and reform by a range of CSOs throughout the North and South (Clark, Fox and Treakle, 2003; Fox and Brown, 1998; Keck and Sikkink, 1998; Long, 2001).

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.

There have been notable improvements in the access of civil society groups to World Bank policy revisions. Since 1997 the Bank has employed three different approaches: unilateral, independent, and collaborative. These approaches differ in the extent to which the Bank controls the nature and timing of the public inputs. In all three approaches the Bank remains the final arbiter of how those consultations would influence policy outcomes.

In the *unilateral approach*, public inputs to policy reviews are almost entirely structured by the World Bank itself. In these cases Bank staff devise the format and timing of public participation, convene the process, and evaluate the evidence thereby obtained. The unilateral approach is by far the most common. It has been used in policy reviews on forestry, resettlement, indigenous peoples, and IFC safeguards, as well as in consultations around the Country Systems proposal, all carried out between 1998 and 2005.

In contrast, the *independent approach* relies upon outside parties to drive the policy review and formulate the resultant recommendations. In the World Commission on Dams (WCD), for example, the World Bank and the World Conservation Union (IUCN) established an independent panel comprised of experts from civil society, government, and industry to conduct a review of the development effectiveness of large dams (WCD, 2000). Similarly, in the Extractive Industries Review (EIR) the Bank commissioned an 'Eminent Person' to evaluate the development impacts of its activities in this sector (Extractive Industries Review, 2003).

Meanwhile, under the *collaborative approach*, the Bank and its key stakeholders share responsibility for structuring the review and assessing its outcomes. The main instance of this review framework was the Structural Adjustment Participatory Review Initiative (SAPRI) launched in 1996. SAPRI was conceived as a collaborative exercise in which the World Bank, CSOs and government officials would agree upon methodology and jointly assess the impacts of structural adjustment (SAPRIN, 2002).

Numerous commonalities emerge from policy reviews using these three different approaches:

- **Civil society organizations do not believe that their most important concerns have been adequately considered or incorporated.** Civil society organizations recognize that the member governments of the World Bank have the final authority to define the operational policies of the institution, and that meaningful public participation does not imply the power to dictate policy outcomes. And they have generally given reviews (especially in the independent and collaborative formats) high marks for thoughtfully addressing civil society priorities. However, civil society participants in each of these processes have complained that the Bank has not adequately considered their most important concerns or made significant adjustments to its policy framework in response to the review findings and recommendations. (BIC, 2004; Dubash *et al*., 2001; Herz and Ebrahim, 2005: Appendix F; Imhof, Wong and Bosshard, 2002; Lawrence, 2005).

- **The public often has had limited input into setting the scope and agenda for these reviews.** Civil society organizations often have had little opportunity to contribute to defining the parameters of a review, or conducting the background research that will help to frame the substantive agenda. In addition, limited civil society participation in the design of these reviews has 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 of the review. Since the Bank has no mandatory requirements for whether or how to conduct a consultation of civil society, the terms of engagement must be re-established each time. There have been marked differences between the collaborative and independent reviews on the one hand, and the unilateral reviews on the other. The WCD and SAPRI, in particular, were noteworthy in their inclusive approaches to identifying and answering the basic research questions that would inform the policy options.[8] By contrast, in the unilateral approach to conducting consultations, management and staff usually define the underlying research parameters of the review. Moreover, public consultations typically do not begin until after management and staff have developed a draft revision of the policy, that is, after internal consensus on key issues has already been reached. As a result, the Bank's unilateral approach to policy revision allows little space for participatory or collaborative identification of policy challenges to be addressed in the review process. Just as crucially, it fails to establish a shared base of information on which all parties can agree to move forward (Dubash et al., 2001: 53-57).[9]

- **The Bank has often not been clear about the range of issues that are under consideration.** In a consultative process, the Bank has seldom clarified which issues are, and are not, open for consideration, or what policy options are "politically feasible." This failure to make the parameters of the consultation clear early on runs contrary to basic norms of participatory and collaborative decision-making (Gray 1989; Sussking et al 1999). It has also falsely raised expectations about what could be achieved through engagement. 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 any of their conclusions or recommendations.[10] 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. 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).

- **Many public consultations meetings have been implemented in a rushed, ad hoc, or unprofessional manner.** Both civil society and the Bank have identified a number of deficiencies in the conduct of consultative meetings that compromise the quality of the public input and deliberations. Some of the problems have been logistical, with

[8] The EIR was less participatory in this regard. For example, it commissioned only a small number of independent research projects, and did not convene an advisory group to help identify critical issues until the drafting stage of the process.

[9] This process is typically referred to as "joint information search" or "joint fact-finding" in the negotiation literature.

[10] Letter from Former Commissioners of World Commission on Dams to James Wolfensohn, (July 12, 2002); World Bank (2005a: 17).

consultations being poorly planned and under funded. Participants have not always been notified of the consultation far enough in advance of the meeting to educate themselves on the issues, strategize with colleagues and constituents, or prepare their contributions. Moreover, the meetings themselves have sometimes been too short and insufficiently iterative to allow for meaningful exchange of ideas, reflection, or learning. Participants have also expressed dissatisfaction with the dissemination of background information. Key Bank documents have often been distributed to participants too late for them to digest their import before the consultations.[11] Translation of critical documents has been a consistent problem that has plagued nearly all the reviews. Finally, civil society organizations have sometimes found Bank participants to be arrogant or excessively defensive in their interactions. They claim that often Bank staff have not been willing to listen to different perspectives or to re-evaluate approaches (BIC 2004a, Sherman 2001).

- **The Bank has not provided 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 2005a: 16).

- **Two feedback mechanisms emerged as being especially important for purposes of accountability: iterative drafts for comment prior to board review, and a matrix compiling all comments and their use**. These mechanisms were not consistently used in the reviews. The first mechanism involved the distribution of iterative drafts of policy revisions to civil society, allowing participants a chance to comment on how their inputs would be incorporated *before* final decisions were taken (BIC 2004b). 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 was used by the Bank in developing its "Issues and Options" paper for improving relations with civil society.

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. For many 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. Negative past experiences prompt many CSOs to question whether it is worthwhile to devote organisational resources to a Bank consultation. The threshold question that those who are considering

[11] Letter from Sanjay Basu Mallick et.al to James Wolfensohn on December 14, 2004 (outlining complaints of Indian civil society organizations with organization of Country Systems consultation). Participants have also reported that this was a problem during the EIR consultations.

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.?"

BOARD LEVEL ACCOUNTABILITY

If civil society contributions to World Bank accountability have been noteworthy in respect of projects but less certain in regard to general policies, the impacts have been negligible when it comes to the Board level. The Board refers here to the Board of Governors, which meets once a year, and the Board of Executive Directors (Executive Board), which supervises day-to-day operations of the World Bank. Members of the Board represent the member states of the World Bank. In principle, management and staff are accountable to the member states through the Board representatives, who in turn are accountable to their citizens.

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 (UNDP 2002: 112; Calieri and Schroeder 2003:4, Bretton Woods Project 2003; Woods 2003: 2). Only a handful of the major critiques are summarized here:

- **Representation of affected people is compromised by the disproportionate allocation of voting shares to donor countries.** Voting shares are apportioned to each member state roughly in accordance with the size of its economy. This weighted voting system decidedly favours the major donor governments. The Group of 7 countries control nearly 43 per cent of the voting shares, and the United States alone holds 16.4 per cent (World Bank, 2007: 57-61). Meanwhile, the 46 countries of Sub-Saharan Africa have a combined voting share of less than 6 per cent. This voting arrangement disenfranchises those with the greatest interest in Board decision-making – namely, the poorest countries that are most affected by Bank decisions (Griffith-Jones, undated; Nye *et al.*, 2003: 67-8; 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.[12] 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 those interests are diverse. 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.

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

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).[13]

- **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).[14] 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).

- **Increasing the voting shares of developing country governments is insufficient for improving accountability to citizens in their countries.** 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. Voting reform will not resolve this problem, although sunshine on board deliberations might help (see next point).

- **There is a dearth of opportunities for citizens to hold their own Executive Director accountable.** For one thing, Board secrecy significantly impairs public scrutiny of EDs. Since decisions are usually made by consensus, without formal votes, and since records of any votes and the deliberations that preceded them are not publicised, citizens simply do not know how their ED is representing them (Calieri and Schroeder, 2003). Even if citizens were to learn how their representative had voted, in the case of multiple constituency seats there is little that citizens in one country can do to hold an ED from another country accountable. 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 (the new information disclosure policy may make them available only after ten years). 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.

- **Representatives of borrowing governments are further disadvantaged by the balance of power between management and the executive directors.** Most Executive Directors do not have the time to closely scrutinize or take nuanced positions on the wide

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

[14] 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.

array of papers, policies, and project proposals that management places before them. Representatives from borrowing countries are further disadvantaged as 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.

- **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).[15] 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**.**

- **National parliaments, particularly in borrowing countries, have generally lacked oversight of Bank activities and their directors.** Legislators have often had limited access to major documents about World Bank operations in their own countries. Key decisions in this regard are typically made by the finance and development ministries, with only limited parliamentary involvement. CSOs strategies have thus included: (a) publishing the procedures (or lack thereof) used by different countries to hold their directors to account (Halifax Initiative *et al*., 2004: 4); and working directly with parliamentarians on World Bank activities in their countries, particularly through the Parliamentary Network on the World Bank (PNoWB, 2009). Furthermore, many CSOs have argued that privileging finance ministries as the fulcrum of fiscal and development policymaking improperly distorts the balance of power between the ministries and parliament (ActionAid International *et al*., 2005). In this vein CSOs have recommended

[15]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.

that the World Bank Executive Board refrain from approving certain documents (such as the Poverty Reduction Strategy Papers required of heavily indebted poor countries) until they have been reviewed by the relevant national parliament (Rowden and Irama, 2004: 39).

- **Representation of affected people is further diluted by the selection process of the President of the World Bank.** The United States' informal prerogative to name the President of the World Bank is impossible to reconcile with basic principles of democratic governance (Bapna and Reisch, 2005; Bretton Woods Project, 2003; IFI Democracy Coalition, 2005; UNDP, 2002). Since the President has considerable discretion in shaping the agenda, rules and processes of the institution, this arrangement has greatly enhanced US power within the institution (Kapur, 2002: 60). Civil society groups have therefore advocated a reform of the selection of the Bank President guided by two basic accountability principles: transparency and competence without regard to nationality (New Rules for Global Finance Coalition, 2007).

  Support within the Bank for change is significant. At the time of the resignation of former President Paul Wolfowitz in 2007, nearly a hundred current and retired Bank staff, including several Vice Presidents, signed a civil society letter calling for change in the selection process. A year later, it was announced at the 2008 Annual Meeting of the World Bank Board of Governors that "There is considerable agreement on the importance of a selection process for the President of the Bank that is merit-based and transparent, with nominations open to all Board members and transparent Board consideration of all candidates" (World Bank, 2009b). If this apparent relinquishment of the US Government prerogative is indeed enacted in the appointment of the next President, it will mark a significant institutional change which has the potential to enhance the public legitimacy of the World Bank President and the institution overall.

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, and the relative voicelessness of the poorest and most affected actors — are at odds with fundamental premises of democratic decision making and accountability.

CONCLUSION AND RECOMMENDATIONS

A number of notable successes have been achieved over the past fifteen years in improving the accountability of the World Bank to those who are affected by its operations. Improvements have mostly occurred at the project and policy levels, where sustained pressure from civil society and some governments has been instrumental in the establishment of social and environmental safeguards, greater transparency and consultation requirements, and the creation of the Inspection Panel for purposes of evaluation and redress.

Taken as a whole, however, these successes have been decidedly limited. In particular, persistent problems in the timing, scope, content, and quality of consultation processes have often limited their capacity to deliver public accountability. Many of these shortcomings can be attributed to the Bank's inability or unwillingness to fully integrate accountability to affected peoples into incentive structures for staff. In addition, there has been little improvement in terms of the accountability of the World Bank Board to affected citizens. These shortfalls of democratic accountability may be the most difficult to address because of their deep roots in power relations of the global political economy. Yet, reforms of Bank governance are among the most crucial for its legitimacy and effectiveness. The Bank's sister institution, the International Monetary Fund, is currently in the midst of an uncomfortable debate on governance reform, galvanized by a number of high-level internal reports including one from the IMF's own evaluation office, and another from a panel of eminent persons (IMF 2008; 2009). A new report from civil society organizations around the world was delivered to the IMF's managing director in the first week of September, 2009 (Lombardi, 2009).

Long-term governance reforms are central to the Bank's legitimacy as a global public institution. At the same time, there are numerous shorter-term actions the World Bank can take to greatly improve its accountability to the poor. Four key recommendations are provided here, with a more comprehensive set available in Herz and Ebrahim (2005):

1. Establish mandatory minimum standards for public participation, supported by improved staff incentives and performance appraisals. There is an overriding contradiction at the center of the Bank's approach to public participation. On the one hand, Bank literature and policy statements are replete with testimonials to the importance of participation and empowerment to achieving good development outcomes. However, on the other hand, the Bank has no required procedures for developing policy, and no clear minimum standards for soliciting or incorporating public inputs in its lending operations. As a result, public participation is usually *ad hoc* and discretionary, and the Bank generally only formalizes or requires it when forced to do so under external pressure. The Bank should develop two sets of mandatory process-based participation standards.

1. A fixed administrative procedure for developing and revising Bank operational policies and strategies (i.e., policy level participation)
2. A set of minimum requirements for public involvement in different types of lending operations (i.e., project level participation)

The participation policies/standards should include, for example:

- A predictable basis for including all parties that have a right or an interest at stake in the decision, or who may bear risks; and for establishing the range of issues under consideration. This includes identifying the specific interests and accessibility needs of various stakeholders, especially marginalized groups, and planning the outreach necessary for their inclusion;
- A process or set of ground rules for determining how decisions will move forward;
- Adequate notice and comment periods;
- A basis for building the capacities of less powerful participants;
- Procedures for public reporting and evaluation that might include: a list of stakeholders involved and how they were identified; details of the participatory process and schedule; discussion of main issues raised and how the process addressed them; an annex prepared by representatives of civil society on their views of the process and how those views have been addressed;
- Participatory procedures for background research and analysis, including for assessing and distributing costs, benefits, and risks from the proposed policy or project in a just and equitable way and
- Accountability mechanisms, including penalties or sanctions for failure to comply with the standards, coupled with guarantees of access to dispute resolution or other appeals mechanisms.

In order for a policy on public participation to have teeth, it must also be tied to the performance reviews of staff. The Bank is filled with dedicated and motivated professionals, but few have the incentives to engage project-affected communities under the current lending pressures. To ensure that best practice becomes routine practice, the Bank should revise its internal incentives for staff to improve participation through increased budgetary support, time allowances, capacity building and performance appraisals that reward quality participation. Staff performance appraisals that reward public participation will make the Bank more effective at fighting poverty.

Many bank staff object that such standards (particularly the second set) would be unworkable in practice, and could only result in "tick the box" requirements that would not enhance the quality of participation. Performance-based standards could indeed be unnecessarily restrictive if they were to specify strict and uniform outputs without regard to country context (e.g., number and diversity of participants, length of engagement). A workable option would be process-based standards that require a commitment to continuous improvement through mechanisms of transparent review, stakeholder involvement, and organizational learning, but do not set rigid output requirements. There is a wealth of Bank literature on how to implement high-quality, participatory decision-making throughout the Bank's operations, and many Bank staff, at their own discretion, strive to follow best practice. As a result, there is an ample basis for crafting effective participation policies within the parameters of existing Bank practice.

2. Systematically incorporate public participation in decision-making at each stage of its project/policy cycles. The Bank's existing project/policy cycle provides a structure for improving participation in Bank operations. Many of the constraints noted above can be addressed as follows:

- All stages of the project/policy cycle should be transparent and enable access to information for public deliberation before key decisions are made;
- The capacity constraints of citizens and CSOs should be identified, so that efforts can be made to improve capacities and accessibility at all stages of decision-making (including, for example, considerations of language, timing, location, negotiation skills, etc.). This is particularly important for politically marginalized groups such as women, rural populations, and indigenous peoples;
- The Bank should provide adequate budgetary resources for participation and capacity building through all stages of decision-making. Where direct capacity building by the Bank risks cooptation, resources should be made available to third parties for building the capacities of participants;
- The Issue Framing and Agenda Setting stage should be preceded by a comprehensive stakeholder analysis, and prioritization based on a rights-and-risks approach, with special attention to marginalized groups;
- The Identification and Preparation and Appraisal stages should be based on participatory identification of options and risks, comprehensive and public analyses of alternatives (including no-project options), assessment of distributional impacts and trade-offs, and openness to public scrutiny and challenge;
- The Negotiation and Approval stage should involve public disclosure not only of board minutes and voting records, but also materials that can help citizens understand board decisions, such as board committee minutes and reports, meeting summaries, and draft documents used for deliberation. The Bank should also encourage debate on the project or policy reform in national legislatures prior to board discussion;
- The Implementation, Supervision, and Completion stage should use participatory monitoring and evaluation and
- The Evaluation, Adaptation, and Learning stage should involve participatory design and implementation, should include benchmarks for determining whether engagements are meaningful, and should feed into a centralized system for informing future operations.

3. Improve the transparency of governance and operations, particularly for project-affected people. Transparency is, in many ways, the basis for participatory decision-making. Transparency enables people to participate meaningfully in public decision-making by providing them with the information they need to understand, evaluate, and influence the actions of decision-makers. Some basic criteria, from international best practices, for assessing the Bank's current review of its information disclosure policy include the following:

- A guiding principle of maximum disclosure, in which all information is subject to disclosure unless there is an overriding public interest in keeping it secret;
- Broad definitions of the scope of information subject to disclosure;
- An obligation to publish proactively key documents and categories of information, even in the absence of a specific request;
- Clear, accessible mechanisms for the public to exercise of the right to information, including an independent mechanism through which denials of information requests can be appealed;

- Specific and narrow exceptions to the presumption of disclosure that can be overridden by a determination that disclosure will not cause substantial harm, or that the public interests would be served by release;
- Practical steps to promote greater access to information.

Meeting such best practices would require the World Bank to:

- Improve the transparency of its own governance structure and decision-making;
- Expand the range of draft and final documents, as well as other key decision documents, that are required to be disclosed proactively;
- Specify strict timelines for the disclosure of information, and in a timeframe that enables public deliberation before key decisions are made;
- Require that any refusals be justified by a written, substantive explanation of the reasons for the denial;
- Establish an independent appeals mechanism to review denials of requests for information;
- Subject all exceptions to disclosure to substantial harm and public interest tests;
- Limit the discretion of borrowers to determine whether a document should be released.

Many of these issues, and others, are addressed in the model policy on information disclosure proposed by the Global Transparency Initiative (2009).

4. Expand and protect political space for democratic and participatory decision-making in national political processes. The potential for democratic, participatory decision-making processes is much higher at the national and sub-national levels than in global public institutions, such as the World Bank. As a result, while it is essential for the Bank to increase participation in its own governance and operations, it is equally important for it to respect and support local democratic institutions and processes. This implies:

- Promoting better oversight by national parliaments, who frequently have little information on what the Bank is doing in their countries. The World Bank's founding articles of agreement prohibit it from involvement in the political affairs of a state. But that doesn't mean it can't promote better parliamentary oversight. One option may be for the Bank's executive board refrain from approving key documents and projects (such as Poverty Reduction Strategies) until they have been reviewed by the relevant national parliaments.

- In countries in which democratic spaces are limited, the Bank should facilitate the use of more inclusive and democratic domestic decision-making processes. While the Bank is (and should be) constrained in the extent to which it can involve itself in domestic politics, there are a number of avenues for it to expand political space for affected people by: (a) minimizing conflicts between Bank operations and domestic democratic processes; (b) working with parliamentarians and a broad range of public agencies, and encouraging parliamentary review of loans (see above); (c) identifying opportunities for expanding political space by, at a minimum, providing an assurance that decision-making will be transparent and participatory, particularly for those that are marginalized in the domestic political process and (d) assessing the political risks faced by those who participate in its consultation processes, and taking steps to ensure that they will not be punished as a consequence.

The future holds numerous challenges and opportunities for citizens and civil society associations in enhancing the accountability of the World Bank, particularly to people who are most affected by its interventions. Potentially the greatest advances could be achieved by enhancing public participation across the project cycle and increasing staff performance incentives for greater citizen engagement. It is crucial to better understand the incentive and promotion structures for staff and then seek closer alignment of those arrangements with greater participation of affected people in project cycles and policy reviews.

It is equally crucial to explore new modes of governance, not only at the board level but also at the level of national parliaments. Some civil society actors are already usefully working with parliamentarians both to oversee the institution and to become more attentive to how Bank projects affect their citizens. The World Bank is, after all, an intergovernmental organization, and reform of the institution will be limited unless the member governments are made sufficiently responsive to their own citizens and civil societies.

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Bio for Alnoor Ebrahim

Alnoor Ebrahim is an Associate Professor in the General Management Unit, and in the Social Enterprise Initiative, at the Harvard Business School. His research and teaching focus on the challenges of accountability, performance, and organizational learning facing nonprofit and civil society organizations. He is also a Principal of Harvard University's Hauser Center for Nonprofit Organizations.

Professor Ebrahim is author of the award-winning book, *NGOs and Organizational Change: Discourse, Reporting, and Learning* (Cambridge University Press, 2003 and 2005), and is co-editor, with Edward Weisband, of *Global Accountabilities: Participation, Pluralism, and Public Ethics* (Cambridge University Press, 2007), which compares accountability dilemmas in nonprofits, business, and government. He has been the recipient of awards for best article in the journals *Nonprofit Management and Leadership*, and the *Nonprofit and Voluntary Sector Quarterly*.

His teaching experience includes courses on nonprofit and nongovernmental organizations, civil society, collaborative governance, and environmental policy. He currently teaches in the executive education program on *Performance Measurement of Effective Management of Nonprofit Organizations*, and teaches an elective course in the MBA program on *Leading and Governing High-Performing Nonprofit Organizations*.

Among his research projects, Ebrahim heads a global team studying how nonprofits seek to create "systemic change" by influencing national policies on poverty. This work is being carried out in six countries of the global South. His professional work has included commissioned reports on civil society relations with the World Bank, on NGO accountability at the Inter-American Development Bank, as well as projects with a number of nongovernmental organizations over the past two decades, such as the World Resources Institute in Washington, D.C., the Tata Energy Research Institute in New Delhi, and the Aga Khan Rural Support Programme in western India.

Prior to joining the faculty of the Harvard Business School, Alnoor Ebrahim was the Wyss Visiting Scholar at HBS, and a Visiting Associate Professor at the John F. Kennedy School of Government. He also taught at Virginia Tech for several years, where he was a founding codirector of the Institute for Governance and Accountabilities. He holds a BSc degree from MIT (1991) in civil and environmental engineering, and a PhD from Stanford University (1999), where he studied organizational behavior and environmental planning and management.