

WORLD BANK – CIVIL SOCIETY GLOBAL POLICY FORUM

Washington, DC

April 20-22, 2005

SUMMARY REPORT ¹

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EXECUTIVE SUMMARY

The World Bank-Civil Society Global Policy Forum began with an opening dinner on Wednesday April 20, and continued with plenary and roundtable sessions over the next two full days. It was attended by over 80 staff from the Bank and the IMF, and some 120 representatives from Southern and Northern CSOs, governments, labor unions and parliaments. The primary goal of the Forum was to share experiences and opinions about past experiences around Bank- Civil Society engagement and discuss ways forward. Thursday's sessions focused specifically on issues around the first five years of PRSP implementation, while Friday's sessions were more general on Bank – civil society relations (See agenda on Bank's civil society web site – <http://www.worldbank.org/civilsociety> – for individual topics). Also contributing to the framework for discussion were two papers presented on Friday. The "Issues and Options for Improving Engagement between the World Bank and Civil Society Organizations," finalized by the Bank in March, 2005, contains ten "priority actions" that essentially outline the Bank's intended approach to future CSO engagement (See Bank's civil society web site for copy of Bank paper). "A Call for Participatory Decision Making," was commissioned by the World Bank-Civil Society Joint Facilitation Committee (JFC), and circulated as a draft for public comment.

Thursday's sessions, which consisted of an opening plenary and 8 roundtable discussions over the course of the day, resulted in a rich and varied discussion of topics related to the PRSP (See Bank's civil society website for rapporteur reports). As the PRS process is intended to facilitate a highly integrated, country-owned, medium-term development strategy, participants had much to say about aspects of PRSP implementation that lack coherence and quality participation of CSOs, especially those representing marginalized stakeholders. Participants frequently described case examples in which Bank-supported policy frameworks, analyses, and other strategy papers were not developed using the same priorities, indicators and targets as the PRSP, or each other. This has several serious consequences. At the local level it becomes difficult, if not impossible, for communities and ministry staff to "buy into" a common strategy for development, diminishing their interest and ability to participate in PRS implementation and monitor its progress. At the Country level, this same incongruence has sometimes resulted in serious delays in the implementation of the PRSP, leaving CSO and government representatives involved in this complex and difficult process very frustrated.

With regard to civil society involvement in the PRSP, participants frequently noted that CSOs invited to consultation meetings were those who were easily accessible and approving of the government and the Bank's preferred strategies. Moreover, CSOs who were included often did not get enough timely and appropriate information about the issues at stake, the options being considered, and how the PRSP process works, thus limiting their ability to effectively participate in the process. Underlying these issues is a core argument cited by many participants—that the Bank must adopt a "rights-based" approach to PRSP implementation. This would imply that goals for poverty reduction such as those outlined by the MDGs are established first, followed by a macroeconomic framework that enables, rather than hinders, their achievement. The fact that corruption and poor financial management skills characterize many borrowing governments also helps justify a rights-based approach. Including CSOs in target-setting, more transparent budget allocation, and monitoring will help hold governments accountable for Bank funds.

Friday's sessions began with a panel presentation of the two papers mentioned above followed by three breakout sessions. While broader in scope, these discussions often highlighted many of the same

issues as those discussed with regard to the PRSP. For example, many participants called for improved engagement of CSOs in macroeconomic policy discussions, and other early-stage decision-making processes that affect strategy and project development. With regard to mainstreaming quality participation, participants cited the need to implement *process standards* or guidelines to ensure that best practices for CSO engagement are being implemented at the Country level. Even those who do not necessarily agree with the need for standards do perceive a need for increased resources and training for Bank and ministry staff to help them understand and carry out effective engagement with CSOs. The need for a more formal civil society *engagement mechanism* was also heavily discussed. Some participants advocated for the eventual establishment of a formal Advisory Board, and the appointment of a Vice President for Civil Society Relations. However many participants also favored the establishment of more informal mechanisms, especially those that will encourage participation and capacity building at the local and Country levels. It was suggested that the Bank facilitate regional Forums involving staff and local CSOs that would be thematically based and part of an ongoing dialogue process to avoid being one-off events, to encourage a deeper discussion of local issues.

Another key issue frequently cited by participants on Friday was the need for an increased investment on the part of the Bank for capacity-building. The Bank itself has observed that involving CSOs in development, implementation, and monitoring of policies and projects will enhance their appropriateness, quality and sustainability. Participants say the Bank should invest more in capacity-building for both CSOs and other Country-level actors for: strategy formulation; research, evaluation and monitoring to generate evidence-based advocacy; budgetary formulation, implementation and monitoring; accessing information from the IFIs; and education about the processes of Bank-civil society engagement. Provision of timely and appropriate information about Bank initiatives, as discussed above, also enhances the capacity to participate in dialogues.

The last official session of the Forum was a lunch with Bank President James Wolfensohn who was invited to respond to the ideas discussed and proposals made during the morning roundtable discussions and were presented with a Communiqué drafted the previous day by a committee of CSO participants (See civil society web site for text). The Communiqué contains recommendations to the Bank for improving civil society engagement. Participants requested incoming Bank President Paul Wolfowitz and the Board of Directors to respond to the specific points in the Communiqué in written form and in direct communication with civil society, by the Annual Meetings of 2005. Following that, Mr. Wolfensohn responded with his formal comments, representing one of his last opportunities to share views with CSOs in his capacity as Bank President, and answered questions from participants.

Mr. Wolfensohn echoed observations made by many participants with regard to the responsibilities of CSOs and the challenges they face. Civil society is made up of groups representing an extremely diverse, often fragmented and sometimes contradictory set of views. Competition for resources can prevent CSOs from sharing information or collaborating in their advocacy efforts toward donors and IFIs, making it more difficult for agencies like the Bank to clearly respond. CSOs have an equal responsibility to build their own capacities, organize, and advocate that governments adopt more democratic governance and participatory development planning. In closing, Mr. Wolfensohn observed that a more pragmatic approach to cooperation between the Bank and CSOs will enhance the abilities of both to achieve their common goals, such as those outlined in the MDGs.

OPENING DINNER PLENARY

WEDNESDAY, APRIL 20

The Forum officially began with an opening dinner hosted by World Bank's Mr. Ian Goldin, Vice President of External Affairs, Communications & United Nations Affairs. Ms. Rasheda Choudhury, Vice Chair of the Bangladesh NGO Federation and CEO of Campaign for Popular Education (CAMPE), provided remarks from a CSO perspective. Claude Akpokavie, Senior Advisor at the International Labor Organization (ILO), began by welcoming the Forum's participants, over 100 representatives of NGOs, labor unions, parliaments, governments and donors from over 50 countries (See civil society website for complete list by alphabetical order and organization type). Participants were reminded of the Forum's primary mission, to reflect on what has been achieved over the past ten years with regard to Bank - civil society engagement and together define new ways forward. **Mr. Goldin** noted that the Bank invited stakeholders from a variety of sectors and expressed his hope that this diversity would produce a balanced and meaningful exchange of views. Upcoming challenges require willingness by both the Bank and civil society to work as partners and learn from each other, despite areas of disagreement, and follow through with commitments in order to turn "rhetoric" into "reality."

Ms. Choudhury added that the challenge for civil society groups is to engage with the Bank and other international financial institutions (IFIs) in the manner that they choose, while maintaining the integrity of their relationships and their accountability to their clients. Civil society also has a responsibility to help the Bank identify and utilize the most effective strategies for pragmatic engagement. Already the Bank has demonstrated efforts to improve its procedures for disclosure of information and consultation with civil society. But the Bank must also learn from its mistakes. It must make a greater effort to pluralize decision making processes.

Discussion

These remarks were followed by a frank opening discussion with participants. One CSO representative reminded Mr. Goldin that some members of civil society feel they have not been taken seriously by the Bank and are questioning the usefulness and integrity of events such as the Forum. Several organizations boycotted the event, citing their frustration with previous engagement with the Bank. Mr. Goldin responded that the Bank takes seriously these concerns and its responsibility to follow through with its commitments to civil society. He noted that while civil society encompasses a very broad spectrum of groups, interests and approaches, seventy percent of the Bank's projects do involve CSOs who must see some value in continued engagement with the Bank. However, if Forum participants do not feel that the conversation is sincere, they would have every reason not to return.

Another participant asked the Bank to describe specifically how it intends to engage stakeholder groups that are particularly marginalized, such as the disabled. This speaker pointed out that the MDG of reducing poverty by a half does not mention the 600 million disabled people, over 80% of whom live in developing countries. Mr. Goldin agreed that the disabled are one of the most marginalized groups, even within civil society and the Bank itself. The Bank has been integrating better awareness and access for the disabled, for example into rebuilding efforts in tsunami-affected areas and many education programs. The second International Conference on Development and Disability, held by the

Bank in December of 2004, helped to highlight best practices and identify areas for improvement. Civil society must continue to promote this issue.

Finally, a participant from Sierra Leone expressed frustration about the situation in his country and asked what the Bank intends to offer civil society and the people it represents in terms of more effective poverty reduction. The Bank Country Director for that country explained that Sierra Leone has seen some important success in terms of its poverty indicators despite the post-conflict pressures, and is making a swift transition to using the Poverty Reduction Strategy (PRS) with new emphasis on medium-term goals and district-level development.

POVERTY REDUCTION STRATEGY PAPERS

THURSDAY, APRIL 21

OPENING PLENARY

On Thursday, participants met at the George Washington University Cafritz Conference Center to discuss the quality of implementation and the impacts of the Poverty Reduction Strategies (PRS), which are currently under review after the first five years of implementation. Mr. James Adams, the Bank's Vice President of Operations Policy and Country Services, led a panel composed by Mr. Mark Plant, the IMF's Senior Advisor in the Policy Development and Review Department; Mr. Luca Barbone, Director of the World Bank's Poverty Reduction Group; Mr. Lawrence Egulu, Africa, Coordinator for the ICFTU. Ms. Rocio Tabora, Deputy Secretary of the Honduras Presidency, was unable to attend due to weather-related flight problems. Later, IMF Advisor Mr. Elliot Harris and Lead Economist Ms. Linda Van Gelder of the World Bank presented a status report of the PRS Review, and the floor was opened to questions from the audience.

Mr. Plant set the context in terms of events and publications that immediately preceded the Forum, as well as others forthcoming in the next few months. These include: the joint World Bank and IMF Global Monitoring Report, which has concluded that without a major push from all stakeholders, the Millennium Development Goals (MDGs) will not be met by 2015; the High Level Forum in Paris on Aid Harmonization and Effectiveness; and finally the recently-concluded Spring Meetings of the World Bank and the IMF. Noteworthy events on the horizon include the UNGA Special Session on Financing for Development and the UN Summit on progress toward the MDGs in September.

Mr. Plant noted that civil society has played a critical role in accelerating the debate on achieving the MDGs and pushing the IFIs to move from "rhetoric to reality." Discussions at the Spring Meetings, concluded in April 2005, called for further debt relief, government emphasis on the continued need for reforms, and innovative financing mechanisms for mobilizing additional resources to meet the MDGs. The IMF has a critical role in supporting—through policy advice, capacity building, and financial assistance, including debt relief—low-income countries' efforts to achieve macroeconomic stability, debt sustainability, and strong, sustainable growth needed to make progress toward the MDGs.

IMF Managing Director Rodrigo de Rato has confirmed the Fund's commitment to helping countries achieve the MDGs, in its area of competence, as well as to the shared vision of mutual accountability and partnership embodied in the Monterrey Consensus and reflected in the PRSP approach. Going forward, the Fund is examining the full range of its engagement with Low Income Countries and seeking ways to better align the Poverty Reduction and Growth Facility (PRGF) programs to the PRSP. In conclusion, Mr. Plant noted that this Forum is a unique opportunity to share experiences and best practices as the Bank and the IMF prepare the 2005 PRS Review over the summer.

Mr. Barbone began with some background on the first five years of PRSP implementation. The intention of donors and IFIs in introducing the PRSP process was to shift to a more country-driven, results-oriented framework, basing development strategies on principles of country ownership, partnership and coherence of development assistance with national systems. As Country Director for the World Bank in Moldova, Mr. Barbone witnessed the drafting phase of the PRSP in that country. It was a long, complex and controversial process; however, he felt it added to the policy discussion in the

country, stimulated debate on priorities and brought about positive changes, in spite of the difficult political situation.

PRSPs are meant to give ownership and strengthen accountability within countries. Ownership of country policies by government makes the tasks of the IFIs easier, since they can take a secondary role. But this also implies that governments must strengthen their institutional underpinnings and increase their capacities to handle public funds and deliver services, which can take time. Therefore, it is important to note that the PRSP progress is a work in progress. Mr. Barbone concluded by noting that the World Bank values the PRSP process, and that it believes it is the way to move forward. For the important work that remains to be done, the World Bank values the type of dialogue that this Forum provides, which allows us all to share our mutual experiences and to discover best practices.

Mr. Egulu began by commenting that generally the PRSP process has enhanced the role of civil society, trade unions and the private sector in national development planning. Whereas before decision making was solely with the Ministry of Finance, now the process is more open, and line ministries as well as other agencies and civil society have more space in which to make their views heard. The PRSP is becoming a central mechanism around which donors are aligned. However, one of the most serious problems has been lack of alignment between the PRSP and the PRGF, and the MDGs. An example of these contradictions can be found in Zambia, where the PRSP included an initiative to hire 10,000 teachers as a way of achieving Universal Primary Education, but as the country approached the HIPC Completion Point, it was forced to freeze hiring of additional teachers, making it all but impossible to meet this target. Mr. Egulu outlined the concerns of civil society in terms of PRSP development as follows:

- Meaningful participation is often made difficult as country authorities don't deliver necessary documents on time, give out selective invitations, or otherwise create very rushed timetables.
- Poverty and Social Impact Assessments (PSIAs) are not always carried out, and when they are, civil society has no clearly defined role and does not participate in key decisions, such as selecting the consultants.
- Civil society's involvement at various stages of the PRS process is ill-defined. CSOs can play crucial roles not only during the planning phase but also during the initial formulation, later revisions, annual reporting, and development of "second generation" strategies.
- The macroeconomic framework is set outside the PRSP, making "country ownership" exceedingly difficult. Similarly, HIPC Completion Point also constrains full country ownership.
- Capacity-building for CSOs is paramount in order to achieve meaningful participation and enhance civil society's role as "watchdog." The IFIs and other donors can do more to support capacity-building efforts.
- Employment creation and labor rights are a key concern of the poor and should be more of a focus in the PRSP.

Mr. Harris and Ms. Van Gelder next presented a status report on the PRSP Review. In addition to its role as a country-owned strategy that is comprehensive and based on a medium-term results oriented perspective, the PRSP also provides the framework to define policies, programs and resources needed to achieve the MDGs at the country level. The review will focus on five themes that are central to enhancing the effectiveness of the PRSP approach: strengthening the medium-term orientation of the PRSP; using the PRSP as a mutual accountability framework; sustaining meaningful participation; enhancing the linkage between the PRS and Plans/MTEFs/Budgets; and adapting the PRSP approach to conflict-affected and fragile states.

The 2005 in-depth review of the PRSP process is expected to look at the key lessons and good practices that have emerged in the above areas over the past five years. It will also highlight any specific changes to the approach, if needed, and propose ways of measuring results from the PRS approach. The final product will be a paper for consideration at the Annual Meetings of the World Bank and IMF in September.

Some early feedback from PRSP countries on the 2005 review includes several recommendations: that future PRSPs focus more on productive sectors and growth; that political economy is a key factor in implementation, and not just “technocratic” solutions; that donors need to focus more on capacity issues; and that a focus on few key initiatives is necessary, as opposed to a wide range of reforms. From the donors’ perspective, there was interest in maintaining a drive for results and paying attention to internal accountability.

Plenary Discussion

The plenary speakers next took questions and comments from participants regarding the PRSP. One participant, noting that donors still are not fulfilling the pledge to spend 0.7% of GNP on ODA, questioned the likelihood of achieving the MDGs by 2015. A Bank representative responded that civil society must appeal directly to the donor countries on this issue. The IFIs, for their part, have tried to campaign for additional funds, even at the recently-concluded Spring Meetings. Recently, the IDA replenishment saw a substantial increase (25%) in resources. The challenge now is to ensure that they are properly channeled to countries with absorptive capacities. The PRSP’s framework of mutual accountability must be strengthened, both to improve the delivery system by which this increased aid would reach the poor, and to improve the governance and institutional underpinnings in developing countries.

Another participant noted the disconnect between targets set in the PRGF and those in the PRSP, with the former often calling for fiscal consolidation, and the latter looking to invest heavily in the social sectors, asking how these can be reconciled. Bank staff responded that in early PRSP countries, the PRGF preceded the PRSP, and so could not reflect the specific goals of the PRSP. This is now being rectified in new PRGFs. And, while the PRGF focuses on the appropriate macroeconomic framework in the context of the available resource envelope in the short- to medium term, and on the budget constraints countries face, the PRSP is often aspirational. This creates an inherent tension, and countries need to better link available resources with their PRSP goals. This is a balance that every country will have to find for itself.

A participant from Nepal asked what the Bank and IMF can do to ensure that momentum for participatory development from the PRSP is not lost in times of political upheaval. A Bank representative replied that the IFIs cannot simply disengage from a politically difficult situation. Yet,

neither can they apply a uniform solution to the multiplicity of country conditions. In difficult political environments all stakeholders, including CSOs, must work together to find practical solutions appropriate to the specific conditions. In the case of Tanzania, there was very high participation in the first PRSP. By the time of the first progress report it had dwindled, but through dialogue with the country authorities, participation regained its prominence in subsequent progress reports.

Next, a participant from Bosnia described a difficult situation in that country. The PRS in Bosnia included a participatory process from all major stakeholders, followed by a Joint Staff Assessment (JSA), then a Consultative Group meeting which identified a financing gap required to meet the PRS goals. The CAS was in line with these identified goals, and many of the donors aligned behind them as well. However, the IMF came to a different macro framework, which was at odds with that developed in the PRSP. Bosnians had to choose between starting the negotiations all over again to change the PRS, or to renegotiate with the Fund. One year later, there was still no standby facility, and as a result, no World Bank or other donor program. Bank staff responded that the IEO report called upon the IMF to do a better job of aligning macroeconomic frameworks with the PRSP, in partnership with the governments and other stakeholders. There is also a clear need to better explain (or help the government explain) the goals of the macroeconomic framework, and the tradeoffs that are required. This would help authorities in communicating with stakeholders better when shocks or other imbalances impinge upon the framework. Also, the PRSP and the PRGF are iterative, and the redesign of the JSA will provide a more honest take on the PRS – it will give a clearer view of the challenges faced by government so that the Fund can address directly what can be done, and do a better job of meeting the goals.

Finally, a representative from Bangladesh asked how accountability between the government, donors (especially the IFIs) and civil society in countries pursuing a “rights-based” approach to PRSP implementation can be achieved. A Bank representative noted that government representatives had been included in the Forum to better facilitate trilateral discussions on this issue.

Breakout Sessions

Following the plenary, each participant took part in two of eight breakout sessions, one in the morning and one in the afternoon, on different topics related to the PRSP:

- a) quality of civil society participation;
- b) improving poverty data analysis;
- c) role in reaching the MDGs;
- d) relations with country budgets;
- e) donor harmonization;
- f) developing second generation PRSPs;
- g) implementing PRPs in difficult conflict/disaster settings; and
- h) national poverty reduction strategies in non-PRS countries

Each session had country-based input from government officials, CSO representatives, parliamentarians, and donor agency staff, which also filled the roles of chairs, discussants, and rapporteurs. IMF and Bank staff working on PRS issues also participated. As the PRS process is intended to facilitate a highly integrated, country-owned, medium-term development strategy, participants had much to say about aspects of PRSP implementation that lack coherence and quality participation of CSOs, especially those representing marginalized stakeholders. Participants

frequently described case examples in which Bank-supported policy frameworks, analyses, and other strategy papers were not developed using the same priorities, indicators and targets as the PRSP, or each other. This has several serious consequences. At the local level it becomes difficult, if not impossible, for communities and ministry staff to “buy into” a common strategy for development, diminishing their interest and ability to participate in PRS implementation and monitor its progress. At the Country level, this same incongruence has sometimes resulted in serious delays in the implementation of the PRSP, leaving CSO and government representatives involved in this complex and difficult process very frustrated.

With regard to civil society involvement in the PRSP, participants frequently noted that CSOs invited to consultation meetings tended to be those who were easily accessible and approving of the government and the Bank’s preferred strategies. In other cases, more critical CSOs were indeed invited to participate in PRSP consultation meetings but felt that their inputs were not taken into consideration. Moreover, CSOs who were included often did not get enough timely and appropriate information about the issues at stake, the options being considered, and how the PRSP process works, thus limiting their ability to effectively participate in the process. Underlying these issues is a core argument cited by many participants—that the Bank must adopt a “rights-based” approach to PRSP implementation. This would imply that goals for poverty reduction such as those outlined by the MDGs are established first, followed by a macroeconomic framework that enables, rather than hinders, their achievement. The fact that corruption and poor financial management skills characterize many borrowing governments also helps justify a rights-based approach. Including CSOs in target-setting, more transparent budget allocation, and monitoring will help hold governments accountable for Bank funds. For a more detailed description of the conclusions of each session please see the Rapporteur Reports on the Civil Society Forum page on the Bank’s civil society web site: <http://www.worldbank.org/civilsociety>.

On Thursday evening, separate dinners were held with the six Bank Regional Vice Presidents or their designates, and two networks (ESSD, EXT), providing participants with an opportunity to discuss regional, country-specific, and thematic issues. For summaries of the discussion results of these eight roundtable sessions, see Bank’s civil society web site.

WORLD BANK - CIVIL SOCIETY RELATIONS

FRIDAY, APRIL 22

On Friday participants met at the World Bank to discuss institutional relations and analyze the evolving nature of Bank-civil society engagement at the global level. The day began with an opening plenary in which two papers analyzing Bank – civil society relations, one produced by the Bank and the other by CSOs, were presented and commented on by a panel of executive directors, an academic, and a CSO leader. After the plenary, participants engaged in three roundtables to discuss the panel presentation and share views on Bank-civil society relations. The morning session was followed by a lunch hosted by World Bank President Mr. James Wolfensohn. During this session, Mr. Wolfensohn was presented with a Communiqué drafted the previous day by a committee of CSO participants. Mr. Wolfensohn responded to the Communiqué and to report back presentations on the roundtables with his formal comments, representing one of his last opportunities to share views with CSOs in his capacity as Bank President, and answered questions from participants. In the afternoon, participants joined informal sessions on a variety of more specific topics (See web site). One of these sessions addressed next steps for follow-through after the Forum, on both the part of the Bank and civil society. The Forum ended with a closing reception hosted by Ian Goldin.

OPENING PLENARY

Mr. Shengman Zhang, World Bank Managing Director, served as chair. The opening plenary session began with a presentation by Mr. Ian Goldin, the Bank’s Vice President of External Affairs, Communications & United Nations Affairs, who gave an overview of a paper recently issued by the Bank’s Civil Society Team, “Issues and Options for Improving Engagement Between the World Bank and Civil Society Organizations,” finalized in March, 2005. A second presentation was given by Mr. Alnoor Ebrahim and Steve Herz on “A Call for Participatory Decision Making,” a paper commissioned by the CSO members of the Joint Facilitation Committee (JFC), as a draft for public comment. The panel of plenary discussants included Mr. Ad Melkert, World Bank Executive Director², Mr. Otaviano Canuto, World Bank Executive Director³, Ms. Ann Florini, Senior Fellow at the Brookings Institution, and Mr. Joel Pagsanghan, National Coordinator of the Caucus of Development NGO Networks, of the Philippines.

Mr. Goldin gave an overview of “Issues and Options for Improving Engagement Between the World Bank and Civil Society Organizations,” finalized by the Bank in March, 2005. Mr. Goldin noted that this paper represents a commitment on the part of the Bank to achieve more constructive and effective engagement with civil society. The paper identifies four main issues: finding better ways of promoting and sharing good practices across the Bank; closing the gap between expectations, policy and practice; adapting to changes in global and national civil society, i.e. “leveling the playing field” for CSOs; and achieving greater Bank-wide coherence and accountability. The authors proposed ten priority actions

² Executive Director for Armenia, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Georgia, Israel, Macedonia, Moldova, the Netherlands, Romania, and Ukraine.

³ Executive Director for Brazil, Colombia, Dominican Republic, Ecuador, Haiti, Panama, Philippines, Suriname, and Trinidad & Tobago.

to address these issues, which were endorsed by the Executive Directors and will frame the Bank's strategy going forward (See Bank's civil society web site).

Mr. Ebrahim and **Mr. Herz**, two independent researchers commissioned by the JFC, then presented "A Call for Participatory Decision Making." The authors note that as a public institution, the Bank has an obligation to make decisions in accordance with "contemporary standards of democratic and participatory governance." Yet, the authors also note, some parts of civil society do not view institutions such as the Bank as representative of the interests of the poor, or accountable for their actions. The JFC's paper makes four key recommendations for the Bank to facilitate more meaningful public participation in its initiatives: 1) Increase participation in decision-making at each stage of the policy/project cycle; 2) Establish mandatory minimum process standards for consultation and participation; 3) Improve the transparency of its governance and operations; and 4) Proactively seek to expand and protect political space for democratic and participatory decision-making in national political processes. The paper also provides a proposed framework for identifying opportunities to improve participation in each phase of the policy/project cycle.

Mr. Ebrahim and Mr. Herz noted that the Bank's paper seems to stop just short of recommending the implementation of an institution-wide policy to ensure consistent and effective civil society engagement. A key problem has been that CSO participation, in practice, is highly variable among countries, sectors and policy/project phases. The JFC believes that standardizing the Bank's best practices would significantly raise the quality, consistency and effectiveness of its civil society engagement. Moreover, the Bank has a responsibility to identify the risks people take in participating in its processes, and take steps to protect them.

Mr. Melkert began by noting that while there are many possibilities for improvement and innovation, the Bank's consultative processes have opened up significantly over the past ten years. Criticisms such as those reflected in the JFC's paper sometimes seem to reflect the past, rather than the current situation. Mr. Melkert observed that the Bank is "an institution of and by governments," which constrains Bank Management and the Board in implementing some of the proposals like those mentioned by the JFC. This is the case, for instance, on whether the Bank should take on the human rights agenda. The Bank has not received a mandate for engagement in countries where human rights are constrained, thus affecting the Bank's leverage with regards to this issue.

Mr. Melkert questioned the practicality of employing "contemporary standards of democratic and participatory governance," because there are many differing culturally and politically accepted notions of what these ideals are. For this reason, it is important that dialogue around participation take place not only among Bank staff, but also at the government level, especially in the countries where Bank projects are operating. Mr. Melkert noted that the Bank's paper emphasizes the role of staff in achieving maximum participation in Bank-funded projects. The ten-point action plan makes specific recommendations to guide and empower country-level staff in improving the quality and effectiveness of CSO engagement. He suggested that a comparison of best practices, accounting for the cultural and political differences among countries, may be useful.

Mr. Canuto observed that in the debate on civil society participation, issues of governance cannot be confused with issues of engagement. The role of civil society is to provide checks and balances in order to promote dialogue and ensure democratic representation of the whole spectrum of views. While it is natural for every civil society stakeholder to promote its own views, each must remember that it represents one voice among many. Mr. Canuto added that the issues of accountability addressed in the

JFC's paper also apply to civil society itself, and that CSOs must also explore issues around their own accountability and obligations to their clients, and in their "check and balance" role.

Ms. Florini characterized the Bank's paper as a frank assessment of its own responsibilities for civil society engagement, within its existing institutional framework. She also acknowledged the JFC's paper as providing a solid rationale for enhanced participation and an ideal to shape further reforms. She also noted, however, that both papers lacked strong examples or case studies that could be used to inspire reform. One key issue going forward is changing the incentive structures within the Bank to further promote the recommendations made in both papers. Ms. Florini encouraged the civil society participants to utilize their great power of persuasion to influence Bank President-elect Wolfowitz, capitalizing especially on his well-known support of democratic development, to promote enhanced engagement of CSOs. Civil society can also focus its advocacy efforts more toward national governments, parliamentarians and other potential allies for greater participation.

Ms. Florini suggested that another area of focus should be greater coordination and partnership among the intergovernmental organizations, for example between the Bank and the United Nations. She noted that the UN system has fostered a different level of engagement with civil society, and that both organizations could benefit from a greater exchange of knowledge and resources. The UN has also been exploring this issue of partnership—one example is its proposed creation of an inter-organizational Peace Building Commission, which would discuss strategies and priorities on core issues affecting post-conflict countries. For the World Bank, this could be an opportunity to explore new approaches in order to better realize its own recommendations regarding civil society engagement.

Mr. Pagsanghan concluded the plenary session by observing that both the Bank's and the JFC's papers proceed from different core assumptions about the institution—the Bank sees itself as ultimately responsible to its member shareholders, while the JFC contends that as a public institution it must be responsible to "the people." Implementing many of the recommendations made in both papers would necessitate significant institutional change, not simply relying on the initiative of individual Bank staff. The Bank has not really been clear about the extent to which it is willing to implement their action plan on an institutional level.

Plenary Discussion

Following comments from the panel, participants raised questions and comments in order to spur further discussion at the roundtable sessions. While a few are outlined below, others have been incorporated into the summary of the roundtable discussions which follows.

One participant asked why the HIPC Initiative has excluded indebted countries in which the IMF determines that the debt is "sustainable", such as in Kenya, when the Bank says it is committed to achievement of the MDGs, debt relief and significant poverty reduction. Kenya's debt payments account for over thirty percent of its annual budget, significantly detracting from spending on anti-poverty initiatives and hindering its ability to achieve its MDGs.

Another participant noted that there are many examples of the Bank repeating its mistakes and ignoring information garnered from its own assessments. In the case of Malawi, data from a Poverty and Social Impact Analysis (PSIA) indicating flaws in the privatization approach recommended by the IFIs was not incorporated into the PRSP and subsequent planning. This was attributed to the fact that

PSIAs are not integrated in the policy/project cycles and in this case, the PSIA was completed too late in the process to affect critical decisions.

Many CSOs view the succession of President-elect Wolfowitz as a potential setback for them. And, in fact there is no formal policy that commits the Bank to participation and inclusion of civil society. This means that civil society must also shoulder the responsibility, not only to continue pushing for higher quality engagement with the Bank but also to build its own capacities and those of the Bank in order to achieve the ideals proposed by the JFC. A Bank representative responded that the recent Issues and Option Paper which outlines 10 priority action items (see Bank's [civil society web site](#)) discussed by the Bank's Board does present an "institutional roadmap" and continuity for the Bank's civil society engagement policies and efforts.

FRIDAY ROUNDTABLE SESSION DISCUSSIONS

Discussion during the three simultaneous roundtable sessions touched on a wide variety of topics, many of which were also covered during Thursday's conversations around the PRSP. Below, issues are categorized according to three principal themes: 1) Mainstreaming quality participation; 2) Strengthening capacity-building; and 3) Broadening perspectives in governance. Of course most issues around Bank – civil society relations have cross-cutting aspects that may relate to all of these themes. Central to the debate is the issue of *institutional responsibility*. CSOs such as those represented by the JFC contend that as a public institution, the Bank has a responsibility to specifically identify and facilitate the inclusion of the most vulnerable groups, such as women, youth, laborers, and the disabled, even when borrowing governments do not see this as a priority and when such groups do not sympathize with the Bank's agenda. This is based on several core assumptions. One is that participation in Bank-supported policy and project work is a basic political right for all groups. Many participants said that civil society engagement in their countries had been limited to stakeholder groups that were easily accessible and known to sympathize with the government's agenda, or more critical groups who felt that their input had not been taken into account. Another core assumption is that the Bank must do what is necessary to ensure the most effective and sustainable results from the public money that it lends to borrowing governments. In many situations, this may involve soliciting input from CSOs and even making substantial investments to build their capacities to adequately participate in decision-making processes. The Bank's Executive Directors, on the other hand, maintain that they are ultimately responsible to their shareholders; in other words, to the governments of the member countries. The Bank cannot impose national policies on its shareholders. Inclusion and capacity-building of marginalized stakeholder groups is something that Bank staff can encourage, but in the end, must be a government-driven process.

Participants often noted too that civil society as such represents an extremely diverse, often fragmented and sometimes contradictory set of views. CSOs have an equal responsibility to build their own capacities, organize and advocate to donor governments to achieve more democratic representation of their clients in development planning. CSOs should also build alliances with parliamentarians and civil servants in key departments in order to advocate directly to their governments. Competition for resources can sometimes make CSOs reluctant to share information about their programs or collaborate with other organizations. Strengthening networks of cooperation among CSOs can also enhance their ability to dialogue effectively with governments and donors.

Mainstreaming Quality Participation

Sustaining meaningful participation in all Bank processes, including the PRSP, is a stated concern of the JFC, CSOs and the Bank itself, and was an issue raised in most sessions during the Forum. Participants cited many examples of marked improvement in participation over time, such as the PRSP processes in Sri Lanka and Tanzania. Still, there is a widespread sense that CSO input is not reflected in the final versions of the PRSP and other Bank documents. Generally it was felt that in order for participation to be more meaningful, consultation processes must be opened to a broader spectrum of stakeholder groups, and that greater investment be made in resources and training.

Perhaps most controversial is the debate over the Bank's establishing *minimum standards* to ensure quality stakeholder participation in its work. The JFC and many other CSOs have called for the imposition of Bank-wide process standards for participation in order to institutionalize its best practices and reflect "contemporary standards of democratic and participatory governance." Advocates of standards say that without some agreed-upon benchmarks for performance in this area, it will be more difficult for both the Bank and CSOs to monitor progress toward even common goals. This is especially true at the country level since the quality of civil society engagement is highly variable according to the interests, abilities and resources of the country staff. Quite often, Bank staff only meet with city-based CSOs, not grassroots-level actors in rural areas or outlying towns. This level of participation—limited to the urban elite—is not effective consultation.

Other participants argued against the concept of minimum standards. The argument that the Bank is responsible first to its shareholders implies that its institutional policy must respect the fact that there are different culturally and politically accepted notions of what "democratic participation" means. Therefore dialogue around participation must be brought down to the national level, especially in countries where Bank projects are operating. It was also said that minimum standards would require the Bank to "police" its staff with regard to this issue—an approach that has failed in the past with other types of initiatives. Without increased investment in resources, training and incentives for Bank staff to make use of good practices, minimum standards for participation may encourage a "box ticking" approach to participation at the management level. Rather than improving the quality of Bank - civil society engagement, this would encourage widespread use of rushed, cursory and poorly facilitated interactions. Imposing minimum standards would also put the Bank in an intermediary role between governments and civil society, a role from which the Bank is consciously trying to distance itself. Rather than minimum standards, what is needed is increased capacity-building, especially at the country level, to help governments consider, understand, and use good practices.

Clearly, common to both arguments is a deep concern about the quality of civil society engagement at *the country level*, and a perceived need for increased resources and training for Bank and government staff to carry out effective engagement with CSOs. It was noted, in fact, that attendance by country staff at the Forum was minimal, at best.

Another key issue for many Forum participants is the lack of stakeholder participation in the decision-making at *all stages* of Bank-supported work; especially policy formulation, preliminary project identification, and later monitoring and evaluation. Civil society's involvement at various stages of the PRS process is ill-defined. CSOs can play crucial roles not only during the planning phase but also during the initial formulation, later revisions, negotiations and procurement, annual reporting and development of "second generation" strategies.

The *sharing of information*, better documentation and dissemination of good practices is a third key issue. Many Forum participants described difficulties such as country authorities giving out selective invitations to consultation meetings, not delivering necessary documents on time, or otherwise creating very rushed timetables. Quite often information is not made available to CSO representatives in their local language. Even when it is, Bank-related documents are often drafted in technical language difficult for lay people to understand, thus limiting their ability to provide input. Bank and country staff also should ensure they are providing adequate information about the processes of engagement during the elaboration of analyses and strategy papers, so that CSOs are adequately prepared to participate. They also must be more explicit about what issues are, and are not negotiable. After consultations have taken place, participants must be informed about the input received from all parties and how it relates to the decisions ultimately made. It was noted that if the Bank made quality information sharing with marginalized stakeholders more of a priority, this would greatly help to build trust with many CSOs.

The need for a regular or *formal mechanism* for Bank-civil society engagement was a fourth issue frequently mentioned by participants, and is also part of the Bank's 10 priority actions. Many participants agreed that the JFC, as such a mechanism, has had significant difficulties and that finding an alternative is definitely in order. One possibility would be a Civil Society Advisory Board similar to that of the UN. A significant constraint to such a mechanism is the lack of trust between civil society and the Bank. Another was the possible appointment of a Vice President for Civil Society Relations.

It was suggested that it may be more effective to focus first on strengthening the informal mechanisms for engagement and strengthen trust between CSOs and the Bank. Greater investments in capacity-building for Southern CSOs would be a key aspect of such an approach, to increase their access to informal mechanisms. Many participants also favored the use of thematic policy forums, to help CSOs focus and share knowledge on specific issues—such as debt, conditionality, and issues outlined in the MDGs. CSOs have information and often conduct their own analyses and have useful data for poverty analyses, environmental impact, and other research which is not being used. Such thematically-organized mechanisms could help channel this information. To ensure depth and quality of input in such forums it was suggested that they be carried out first at the national level and then at the regional level, before having a global forum. Selection of CSO participants into these forums could be handled by the local CSO networks or platforms.

Recommendations to the Bank around participation frequently cited by Forum participants included:

- Implement guidelines and/or benchmarks to monitor progress in areas for which there is already consensus between civil society and the Bank.
- Establish a specific time frame for implementation of the 10 priority actions endorsed by the Bank in “Issues and Options.”
- Increase investment in the sharing of best practices, training, and other forms of capacity building at the country level to help staff understand and use best practices, accounting for cultural and political differences among countries.
- Implement regional meetings that bring together CSOs and country staff to discuss issues relating to the region.
- Encourage more local meetings between the Bank and civil society to ensure country staff are aware of the issues on the ground, throughout the country.

- Implement institutional incentives for country staff and government officials to utilize best practices in CSO participation at all stages of policy and project work.
- Ensure that timely and relevant information about Bank-supported policy and project work is made available in language understandable to CSOs representing marginalized stakeholders. Consider alternative methods of dissemination, such as radio or television.
- Ensure that country staff are fully aware of CSOs throughout their countries and encourage visiting Bank staff and CAS teams to meet with civil society.
- Increase engagement with parliamentarians as a way to help bridge the gap between governments and civil society.

Strengthening Capacity-Building

Capacity-building, while related to the issues around participation, can also be considered a principle theme of the discussions. As with participation, a key issue around capacity building is responsibility. Many CSOs contend that as a public institution, the Bank should make significant, ongoing investment in building the capacities of local organizations to participate in all stages of Bank-sponsored project and policy work. For these CSOs, capacity building may include, among other things, Bank training of CSO staff; provision of information and materials to CSOs to enhance their ability to dialogue with the IFIs and other donors; and small grants to improve CSOs' access to technology or other resource development tools, so that they can participate.

A second, and perhaps less controversial, argument mentioned by participants in favor of increased investment in capacity building is that it will enhance the appropriateness, quality, and sustainability of Bank project and policy work. This is based on the assumption that involving civil society groups in development, implementation, and monitoring favorably affects these processes—an observation made by the Bank itself. It was noted that the process of engagement with the Bank is a capacity-building exercise in itself for many CSOs. However, participants mentioned several specific capacity-building areas in which the Bank could invest more, thereby improving the long-term success of its initiatives involving CSOs. These areas included: institutional strategy formulation; research, evaluation, and monitoring to generate evidence-based advocacy; budgetary formulation, implementation and monitoring; ways to obtain information from the IFIs, and how to successfully influence the Bank and governments. Provision of timely and appropriate information about Bank initiatives, as discussed above, also enhances the capacity to participate in dialogues.

Even participants who do not necessarily concur that the Bank should increase its capacity-building investments for CSOs often did agree that capacity-building of Bank staff in regards to civil society engagement is important. Along those lines, capacity-building for member government staff was also noted as an important priority. Participants suggested that the Bank can do much more to help staff better appreciate, understand and utilize best practices in CSO engagement. It can also better train government staff in how to carry out participatory poverty and impact analyses, which will improve both the ownership and quality of such work. The Bank's ten priority action points also call for the development of a "more structured and integrated learning program for Bank staff and member governments (on civil society engagement)...as well as capacity building for CSOs on how to work with the Bank and governments."

Recommendations to the Bank around capacity-building frequently cited by Forum participants included:

- Research and document best practices in various areas of capacity-building in which the Bank and other donors are already involved.
- Dialogue more with other donors and CSOs on the subject of capacity-building. Catalogue needs and collaborate with other donors to increase resources for capacity building.
- Establish incentives for governments to invest and participate in capacity-building for involvement in Bank- supported initiatives.
- Increase support for small grants to local CSOs specifically for capacity-building purposes.
- Widely inform and involve local CSOs in the Bank’s training program for government staff to be launched this year.
- Support capacity building for CSOs in public financial management in processes such as the PRSP, based on joint diagnostic work, particularly in the area of public expenditure management.

Broadening Perspectives in Governance

A large number of participants contended that, as a public institution with enormous influence, the Bank should be more actively supporting broader representation of civil society in national and local policy dialogues. In countries where civil society is thriving, the Bank must focus on providing sufficient and timely information to CSOs so that they can get involved in Bank-supported processes at the local and national levels. The Bank must also facilitate and allocate more resources to improving the quality of these policy dialogues—especially *macroeconomic debates* that provide a framework for most development strategies.

In countries where civil society is weaker or repressed by authorities, such as in the cases of Vietnam or Nepal, participants emphasized that the Bank has a *responsibility* to actively facilitate its development and involvement in local and national decision-making as a means to improve the quality of public-funded development initiatives. This implies that the Bank should adopt a *rights-based approach* to the elaboration of Bank-supported analyses and strategy papers. (This includes, but is not limited to, the PRSP.) A rights-based approach would require a broader analysis of problems and underlying causes of poverty and address more completely the political and socio-economic aspects, instead of simply following the macroeconomic framework. Definitions of poverty used in Bank assessments should also be determined by social and environmental factors in addition to economic ones. Broadening perspectives in such initiatives will better facilitate the inclusion of CSOs who may otherwise be marginalized by governments. Some participants noted that the Bank has not received a mandate to pursue a “rights-based approach,” However others contended that the *corruption and poor financial management skills* which characterize many borrowing governments, helps justify a rights-based approach. Including CSOs in target-setting, budget allocation, and monitoring will help hold governments accountable for Bank funds.

Participants suggested several key ways that the Bank can directly or indirectly expand civil society participation in decision-making processes. The Bank can make it a priority to help change governments’ attitudes towards CSOs by acknowledging their contributions and achievements in exemplary cases. The Bank must also implement changes in its lending practices and in staff remuneration and promotion policies to build strong incentives for governments that seek out and incorporate input from CSOs in their decision-making processes.

Recommendations to the Bank around broadening perspectives in governance frequently cited by Forum participants included:

- Invite and facilitate the inclusion of CSOs in dialogues around macroeconomic policy.
- Communicate the outline of the macro framework and its assumptions behind the choices they are making to CSOs and to the general public. There needs to be an explanation and an understanding of the scenarios available, and make clear the trade-offs.
- Provide incentives for governments to decentralize decision-making processes.
- Solicit and present a full range of options and their impacts, reflecting perspectives from outside the government, in strategy papers and poverty/impact analyses.
- Solicit and facilitate CSO participation from planning to implementation. Involve CSOs in target setting, participatory budget monitoring and social audits.
- Implement programs to help governments and country staff appreciate and understand the value of incorporating CSO input into decision-making processes.
- Implement incentives in lending practices and staff management policies that reward staff and governments who solicit and incorporate CSO perspectives in their decision-making processes.

LUNCH WITH PRESIDENT WOLFENSOHN

The lunch discussion was moderated by Kumi Naidoo, Executive Director of Civicus, and began with the presentation of the civil society Communiqué by Collins Magalasi, Executive Director of the Malawi Economic Justice Network. The Communiqué contains recommendations to the Bank for improving civil society engagement as Bank President-elect Paul Wolfowitz begins his term in June 2005. The Communiqué urges Bank Management and its Board to respond to its specific points in written form and in direct communication with civil society, by the Annual Meetings of 2005. (See Bank's civil society web site). This was followed by report back presentations by Moreblessings Chidaushe (Program Officer, AFRODAD), Belinda Calaguas (Advocacy Manager, Water Aid), and Samuel Zan (Director, Send Foundation).

Mr. Wolfensohn began by observing that the Communiqué's preamble exemplifies many aspects of Bank-civil society relations, in that both tend to cling to the conventional views of one another. Instead, both the Bank and CSOs must try to bridge these differences and focus on the core issue that we share -- our concern for the poor. In fact, despite notable successes in improving development indicators in certain regions, there are still billions of people living on less than \$2 a day. One-third of the world's people are under 14 years old, and they are going to need jobs. And in the next 25 years, there will be 2 billion *more* people to help. The real struggle that must be fought is for them—not between the Bank and civil society. There is no doubt that both the Bank and civil society would be more effective if they had a less adversarial relationship. And in truth, neither can afford the luxury of continuing to criticize one another. One of the most important challenges now is to take to scale the best of what each is doing in order to catch up with this enormous flood of poor people coming at us, and still manage to achieve the MDGs. Mr. Wolfensohn also noted that civil society does not have a “monopoly on compassion” as Bank staff are also committed to promoting development and fighting poverty.

With regard to the points in the Communiqué, Mr. Wolfensohn said that there was nothing in it that the Bank does not agree with, in a broad sense. The real issue is that the Bank and civil society must find new and more effective ways to work together in order to achieve them. There is still more the Bank can do, in some respects, to facilitate this relationship. Ultimately, however, the Bank itself cannot

change national policies. And in some countries, governments still view civil society as “the opposition.” civil society itself also has issues it must resolve in order to be more effective. Some of the most marginalized, such as the disabled, are also excluded from civil society organization processes. It serves no one to continue over-focusing on the dynamics and structure of the relationship. It is important not to ignore our differences, but unless ways are found to combine our resources and focus on the core issues, we will not get to scale. In closing, Mr. Wolfensohn noted some common challenges for both the Bank and civil society: reaching out to the private sector in order to leverage their resources for poverty reduction; educating and involving the public in development issues; advocating for resources and pushing for greater unity among donors.

Discussion

Following these remarks, Mr. Wolfensohn responded to comments and questions from participants. One participant, noting Mr. Wolfensohn’s emphasis on strengthening dialogue between the Bank and civil society, commented that real dialogue implies that all parties have an equal right to contribute alternative solutions to shared problems. Mr. Wolfensohn replied that during his tenure as Bank President, he has gone out on a limb many times to listen to civil society and respond. At the local level, about ninety percent of Bank staff listens to CSOs in one form or another. However, it is important to remember that institutional change takes time, and also that it is often difficult to identify and therefore respond to one coherent “civil society perspective.” While there will always be strong opinions about the Bank, everyone could benefit from acknowledging the Bank’s strengths and achievements as well as its failures.

A second participant asked Mr. Wolfensohn what he believes are some of the constraints to improving partnership and coherence among donors and CSOs. He replied that one would be the divisiveness within civil society itself. For example, parliamentarians have criticized the Bank’s engagement with CSOs because, they claim, civil society should be represented only by those who have been democratically elected to do so. Another example is the conflict between secular and faith-based CSOs. Only since 1997 has the Bank had any meaningful dialogue with faith-based agencies. But these organizations play a major role in development and must not be excluded. For example, in Africa over half of education and health assistance comes from faith-based agencies. Rivalry between international and local CSOs is potentially a very damaging factor. In the case of the Asian tsunami, international agencies have received the bulk of relief funds even though they do not necessarily have the greatest competency for what needs to be done at the local level. Also, international and local CSOs often work at cross-purposes in their advocacy efforts. civil society must find a way to focus on the core issues and work together, using their comparative advantages. The situation with regard to the tsunami relief exemplifies the risk of not doing so. Lack of coherence and partnership could very well result in a colossal misuse of funds, with serious repercussions for donors, CSOs and for the future of development generally.

Another participant, noting the PRSP’s emphasis on macroeconomic stability which may contradict its target of a comprehensive development framework, asked Mr. Wolfensohn if the Bank might establish special funds for local-level capacity building and social development, with a clearly defined role for CSOs in the second round of PRSPs. He responded that Social Funds have been established in some PRSP countries. However, PRSP intends for governments and line agencies to elaborate and administer a more country-driven development strategy, while Social Funds would be outside such a framework. In some PRSP countries it may be possible to establish special funds for social programs, but there is some resistance from governments. The Bank has reached out to parliamentary bodies as a

way to bridge this gap. However, it may be more effective to focus on strengthening the inclusiveness of the PRSP process itself in order to direct more attention to social development, instead of hoping government will set aside special funds for social development.

Discussion then turned to the Communiqué that participants had just presented to Mr. Wolfensohn. Participants reiterated their request that he transmit the Communiqué to President-elect Wolfowitz as a widely accepted position by CSOs toward the Bank, and that Mr. Wolfowitz respond to its points in written and direct communication to civil society. Mr. Wolfensohn assured participants that he would transmit the Communiqué to Mr. Wolfowitz and suggest that he make a formal response. However he could not guarantee that Mr. Wolfowitz would do so, especially because it seems the Bank is already doing all of the things proposed in the Communiqué. Another participant asked Mr. Wolfensohn, what he would suggest to CSOs as a next step for engagement with the Bank as Mr. Wolfowitz begins his term as World Bank President. Mr. Wolfensohn replied that he had met and talked with Mr. Wolfowitz extensively on a variety of issues and had found him to be smart and sincere in his desire to do a good job for the Bank. Mr. Wolfensohn noted that his successor has already demonstrated willingness to dialogue with his critics, and said that Mr. Wolfowitz will reach out to civil society. While there may be vigorous debates, CSOs will be reassured by his frankness and openness.

Mr. Naidoo concluded the lunch session by observing that at some level the Bank and civil society are working on the same issues, but that the important aspects to consider are in the details. Yet, clearly Bank reform is not where civil society should put all its energy. Advocacy efforts must also be directed toward other powerful donors, such as the G7 governments.

Following the lunch discussion, participants took part in five parallel roundtable sessions on a series of special topics around which the Bank is seeking input from CSOs. These topics included debt, trade, and the MDGs at the global level; operational collaboration between the Bank and CSOs; the Bank's conditionality review; and delivering effective public/private services.

AFTERNOON SESSION ON WAYS FORWARD

The session on the way forward brought together a small group of CSO and Bank representatives to assess the Forum and discuss the best ways to follow through on the proposals that were made. Some participants had questions about the status of the Bank's and the JFC's papers. Bank representatives explained that "Issues and Options" is a strategy paper that resulted from a two-year iterative process, which included extensive input from civil society. As the paper has already been endorsed by the Board, further revision is unlikely. The JFC's "A Call for Participatory Decision-Making" was commissioned in November of 2004 and was never intended to be a response to the Bank's paper, but rather was presented as a complementary study. It was noted that in addition to a formal response to the Communiqué, some participants called for a formal response from the Bank to the JFC's paper when the draft is finalized.

It was suggested that rather than focus on revisiting either paper, it would be more productive to create an action plan for moving forward on the points in the Communiqué. Participants also noted that the Communiqués request for an official response provides civil society and Bank staff with a tool for continued advocacy and engagement after President-elect Wolfowitz begins his term. A Bank representative reiterated that a copy of the Communiqué would be brought to the attention of Mr. Wolfowitz and that CSOs should expect some sort of response as requested. The JFC's Planning

Committee informally agreed to help facilitate participants' follow-through regarding the Communiqué. However, a continued advocacy role might go beyond the JFC's mandate since it is coming to a formal close in June 2005, thus requiring future leadership from other organizations.

The discussion then turned to possible formal and informal mechanisms for continued Bank-civil society engagement. One possibility would be the development of a formal Advisory Board, similar to that of the UNDP. The Bank's own Action Plan calls for establishing an internal "Bank-wide advisory service/focal point for consultations." A significant constraint to such a mechanism is the perceived lack of trust between civil society and the Bank. It was suggested that it may be more effective to focus first on strengthening the informal mechanisms for engagement and develop a stronger basis of trust between some CSOs and the Bank before trying to establish a formal mechanism. Greater investments in capacity-building for Southern CSOs would be a key aspect of such an approach, to increase their access to informal mechanisms.

It was decided to continue a dialogue on possible options for continued advocacy. However, proposals made for consideration in the short term included: piloting some case studies in a few countries around some of the key issues in the Bank's 10-point action plan, in order to build trust between CSOs and the Bank and to better understand how we engage with one another; and organizing a second conference in the next year or so with a more focused approach to some of the most important themes raised at this Forum.

FINAL RECEPTION

A final reception was hosted by Vice President Ian Goldin who thanked everyone for coming and noted that the Bank was quite pleased with the substantive, frank, and constructive nature of both the PRSP and Bank – civil society policy discussions. John Garrison, Senior Civil Society Specialist at the Bank, expressed special thanks to the CSO members of the Planning Group (see Bank's civil society web site) for their critical role in designing, planning, and managing the CS Forum. Paul Tennessee, Washington Office Director for the World Confederation of Labor (WCL), thanked the Bank for having hosted the Forum and expressed his hope that this policy dialogue will continue.
