

**STRENGTHENING WORLD BANK GROUP
ENGAGEMENT ON GOVERNANCE AND ANTICORRUPTION
CONSULTATION FEEDBACK**



WASHINGTON DC –US CIVIL SOCIETY CONSULTATION

(JANUARY 22, 2007)

Participants: US Civil society (see attached list)

Key issues/themes raised by participants?

- Where service delivery is weak, Bank should explore other ways of getting money to the poor.
- Bank should place more emphasis deepening its own transparency and promoting civil society participation.
- Bank should provide more support to civil society, both financially (one minority dissenter on this) and in terms of support for the enabling environment. The Bank should scale up demand for good governance processes
- Need to clarify what Bank will do in key sectors such as forestry, oil and gas, and electricity, and also the clean energy framework.
- Bank should engage more with private sector
- Revised strategy should spell out more specifics on implementation.

Respondent Type	Consultation Reply
How should Bank engage in countries with weak governance	
Civil Society	Where service delivery is weak, the Bank should explore other ways of getting money to the poor.
Civil Society	Nervous about the Bank being the central arbiter on governance. Question whether this is the Bank's comparative advantage, and whether Bank staff have been in country long enough to really understand the political dynamics of corruption in a country. Bank should instead play supporting role vis-à-vis local actors and processes in their reform efforts.
Civil Society	Bank should step up demand side initiatives, including scaling up community driven development approaches and also direct financing of civil society through mechanisms like the Partnership for Transparency Fund and others
Civil Society	Independent regulation would have a positive effect on reducing corruption in the infrastructure sector.
Civil Society	Concerned about possible “crowding out” effect
5. How to strengthen the Bank's work with champions of reform outside the executive branch of government – parliament, judiciary, civil society, media and the private sector	
Civil Society	Bank should not directly finance CSOs and media working on governance.
Civil Society	Bank should apply principles of CDD to WBG operations overall
Civil Society	More meaningful use of options assessments is a way to engage a broader group of stakeholders
Civil Society	Scale up direct financing of civil society through grants
Civil Society	Bank's work in the area of judicial reform has been positive. Would like to see a broadening of its mandate to see that freedom of expression is fully protected, that CSOs have a good enabling legal environment for them to organize and operate, and also that participatory budget mechanisms should be enshrined in law. These issues should be addressed in the PRSP and CAS.
Civil Society	Opening up the policy review and decision-making process for civil society involvement is more important than

Respondent Type	Consultation Reply
	financing
Civil Society	Would like to see more specifics on how Bank will step up engagement of private sector, which is important. Should increase technical assistance to help firms build their compliance programs. Business associations could work with the Bank on this. It will also help mitigate fiduciary risk.
Civil Society	The Bank can have a role when working on local governments with the demand for good governance and scaling up small-scale interventions
Civil Society	Bank should consider joint CASs with other donors in high risk countries, with emphasis on transparency and public participation.
6. How to mitigate fiduciary risk in Bank operations?	
Civil Society	Bank should put more much emphasis in this strategy on deepening transparency and public participation in its own lending. This will also have an important demonstration effect for governments and lead to more sustainable outcomes.
Civil Society	Bank's information disclosure policy needs major overhaul
Civil Society	Poverty and social impact assessments should be done ex ante and more consistently in all Bank-financed operations.
7. The Bank's role vis-à-vis other donors in supporting governance reform	
Civil Society	Donors should do joint CASs in high-risk countries and agree ex ante on specific triggers for lending. These should be publicly consulted.
8. How to monitor progress in governance and anticorruption at the country level	
Civil Society	Urge the Bank to revisit the CPIA indicators. Concerned that there is too much emphasis by the Bank on economic indicators and conditionality. Bank should open up the CPIA process and indicators for review and consultation. Place more emphasis on the MDGs and poverty reduction.
9. Areas for improvement in GAC strategy and country-level support	

Respondent Type	Consultation Reply
Civil Society	Bank should lay out what the sequencing would be for disengagement so that it minimizes disruption to development and poverty fighting programs.
Civil Society	Clarify how GAC strategy will transform the way the Bank operates.
Civil Society	GAC strategy should explain why the Bank stayed away from corruption issues for its first 50 years. This will help in terms of addressing perceptions about the Bank's own credibility on GAC.
Civil Society	Lay out concrete implementation initiatives for the GAC strategy – when? How? Who will do it? Who will pay for it? Budgeting, staffing, other implications should be spelled out. What is the status of the work plan?
Civil Society	Enhanced emphasis on governance at country and project levels could be an opportunity to mainstream environmental management practices into critical sectors such as forestry, oil, gas, mining and electricity. Governance of these sectors is crucial and should be discussed in the strategy itself.
Civil Society	Bank should explain the linkages between the ongoing work on the clean energy investment framework and the GAC strategy.
Civil Society	There should be a periodic reporting back to stakeholders on the strategy implementation.
Civil Society	Be cautious about role of private sector and privatization – seems to be too much emphasis.
Civil Society	Bank should disclose follow up report on GAC and give stakeholders time to review and provide inputs before the Board meeting.
10. Other key issues	
Civil Society	Strategy needs to address concretely how Bank is going to strengthen its own weak governance