## ONLINE FEEDBACK SUMMARY

1. The updated Strategy and Implementation identifies five priority areas. Are these the right ones? Are there other areas where you think the Bank could do more to strengthen governance and tackle corruption?

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<tr>
<th>Heather Marquette, Governance &amp; Social Development Resource Centre (GSDRC), International Development Department, University of Birmingham:</th>
<th>There is a gap with regard to citizen attitudes towards corruption. Two areas could be added: (a) civic education/integrity management; and (b) support for Transparency International’s Advocacy and Legal Advice Centres. The World Bank was the first multilateral agency to agree to publish its aid data to International Aid Transparency Initiative (IATI) standards. Transparency in aid data should be included. However, in countries that are heavily aid-dependent, aid can be a driver of corruption as well. The World Bank is in an excellent position to lead a discussion on avoiding the unintended consequences of aid on corruption. The Bank should work with existing GAC knowledge management platforms, seeking synergies.</th>
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<td>Helen Abadzi, Global Partnership for Education (World Bank):</td>
<td>Procurement guidelines of several sectors need to be rewritten in order to close loopholes (e.g. textbook provision).</td>
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<td><strong>Non-attributed:</strong></td>
<td>The strategy could say more about work in fragile states, drawing on the 2011 World Development Report on issues such as short term confidence building, long-term institution building, emphasis on legitimate politics, management of revenues for fair and accountable service delivery, commitments to transparency, and use of country systems. The document says little about the importance of collaborating with other donors who may be working on other parts of the governance agenda (e.g. more overtly political issues). The Bank has an important role to play in generating global public goods and the GAC could say more about how to promote lesson learning across the field. The updated GAC could also set out the implications of Busan for the governance agenda. The document was quiet on the implications of GAC on different country contexts – eg fragile states.</td>
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ETHIC Intelligence: Increase World Bank oversight of calls for tenders to reduce the incidence of solicitations for bribes by government officials to bidders. Address the way the World Bank currently approaches its corruption investigations in calls for tenders. Selection criteria in calls for tenders should include efforts made by companies to prevent corruption.

The World Bank should formally acknowledge certification as evidence that a company has developed and implemented an effective program to prevent corruption.

Non-attributed: The tension between seeing a country as a ‘client’ while dealing with ‘clients’ that may lack governance and be corrupt, needs to be clearer in the strategy. It also needs to be clearer what happens when programmes and countries are not achieving benchmarks or intended results under GAC.

There is a need to ensure that increased information disclosure is not the end in itself; rather, it must be used as a way to promote greater accountability.

Global Organization of Parliamentarians Against Corruption: Strong endorsement of accountability, transparency and demand-side emphasis

Centre de Recherche et de Formation en Éco-éthologie: Can the Bank act more as a ‘Think-Tank’?

2. How ambitious should the Bank be? We cannot formally commit to achieving in-country ‘governance improvements’ as the Bank is one small player among many, and the question of ‘attribution’ always remains.

Heather Marquette, Governance & Social Development Resource Centre (GSDRC), International Development Department, University of Birmingham: Global GAC is where the Bank can be quite ambitious, and where the constraints are less complex.

Helen Abadzi, Global Partnership for Education (World Bank): The Bank should be very ambitious, but this means that its staff must have stable jobs and personality profiles that tend towards risk taking. The tendency is to hire politically sophisticated people who skilfully duck action while enunciating the right words. Other donor agencies may be more likely to do the same - talk a lot and do much less.

Non-attributed: Given the scale of Bank resources in some sectors and countries, can the Bank be more ambitious about the links between its programmes / policy dialogue and in-country improvements?

Proposed work program to develop indicators of institutional quality welcomed, as well as examining the links between
institutions and service delivery. Can the Bank go one step further and do more to suggest ways of measuring trajectory and corruption at the national level?

Approach that goes beyond strengthening country systems to strengthening institutions endorsed.

Work at the global level – such as illicit flows, stolen assets, and extractive industries – also welcome. The Bank could be more ambitious, using its network of country offices to promote cross-country collaboration on some of these global issues.

*Non-attributed*: Stronger linkages would be merited between the GAC and StAR.

It is not clear why climate financing and World Bank managed funds are not included, despite a commitment to work on mutual accountability in natural resources integrity.

*Gabriele Maria Quinti, Centre de Recherche et de Formation en Eco-éthologie*: However, the World Bank should also play a role of "think tank" permitting the elaboration of advanced approaches on governance that cannot be imposed (also because some countries among the main lenders of the World Bank have little to teach in terms of governance - anticorruption included) but should be "available" for all the World Bank clients.

3. The Bank needs simultaneously to maintain the highest fiduciary standards, while at the same time strengthening country systems and institutions. Does the update strike the right balance and ambition?

*Heather Marquette, Governance & Social Development Resource Centre (GSDRC), International Development Department, University of Birmingham*: It would be good to see this put into a more international context, including Busan and IATI.

*Non-attributed*: We welcome the approach to strengthening country institutions and using country systems, and the updated approach to four key areas (justice, PSM, procurement, private sector). The private sector section felt somewhat underdone; it was not clear if the Bank will be upping the standards for its contractors and partners, or if the Bank has signed up to COST principles.

*Various*: More emphasis needed on role of private sector

4. How should the Bank approach risk in its operations?

*Heather Marquette, Governance & Social Development Resource Centre (GSDRC), International Development Department,*
The need to change incentives is flagged up but specifics - how incentives will change, or how staff will be convinced that taking risk will not harm their prospects - needs to be spelled out more clearly. Who needs to set the bar in terms of how much risk is acceptable? What protection will be in place for individual staff members? Risk analysis - including PEA - should be mandatory for all Bank projects, and staff should not be penalized if the analysis leads to a cancellation of a project or programme. Incentives will need to reflect this new approach to risk. The Strategy document does not highlight political risk. Development is an inherently political activity. Political risk must also be taken seriously, not least in deteriorating governance environments.

Helen Abadzi, Global Partnership for Education (World Bank): No staff dealing with any corruption issues should be consultants, ETCs, or fixed term. To be bold enough to stand up, staff must be open ended.

Non-attributed: Welcome the GAC’s approach to managing (rather than avoiding) risk, the possibility of exceptional arrangements, the explanation of zero tolerance and the need for a culture change around fear of failure.

Gabriele Maria Quinti, Centro di Ricerca e documentazione Febbraio 74: World Bank should elaborate (as it is also done now but perhaps some improvements are needed) first a sophisticated pre-evaluation scheme for identifying the actual and potential risks and second a monitoring system of its operation for putting, as far as possible (and more) all these risks "under control" (in terms of knowledge and for taking action shortly).

André Westerink, Ministry of Foreign Affairs, The Netherlands: The approach to manage, rather than avoid, risks, is right. This could also mean that the Bank should accept certain (fiduciary and other) risks, if there is a need to act fast, especially in relatively small-scale, but important operations.

Non-attributed: It is not clear how the risk management/mitigation approach would apply to PforR and how it would be standardised across all lending instruments. What will the Bank do if risks are judged too high?

5. Have we got our approach to deteriorating governance environments right?

Heather Marquette, Governance & Social Development Resource Centre (GSDRC), International Development Department, University of Birmingham: Considering the focus of the 2011 WDR, there is actually very little here about conflict-affected/fragile states or deteriorating governance environments.

Helen Abadzi, Global Partnership for Education (World Bank): When the Bank sends billions of dollars to countries with minimal governance requirements as budget support, corruption is waiting to appear. Governments may see no reason for overseeing money that is nearly or entirely free.
**Non-attributed:** It is good to see an explicit focus on deteriorating governance environments. The approach could be more nuanced, for example a commitment to undertaking a political economy analysis to assess the drivers of deterioration, followed by the development of a strategy including issues such as tackling political will. There is much to learn from the creative thinking in the WDR here. The most difficult contexts call for innovation and adaptation.

**Hamish Nixon, Consultant:** The approach could go further by applying a problem-solving, incremental, and catalytic approach to defining strategy in deteriorating environments. In addition to discerning trends (not always easy), revisiting problem definition under deteriorating conditions (and sharing that definition with clients) could be a way to link objectives, risk, and monitoring.

**Clay Wescott, Asia Pacific Governance Institute:** Greater flexibility needs to be built into Bank processes. For example, not all TA resources should be allocated to consulting contracts initially. Hold some amount, say 20%, for contingencies that may arise. In preparing consulting firm TORs, keep 20% of the contract as a contingency, to be fleshed out as the project proceeds. Include in consulting contracts a provision that makes it easy to revise TORs should a project be restructured.

**Non-attributed:** More detail on Bank response required when country not meeting governance indicators. Need detail on tools and initiatives to improve risk management (e.g., initiatives to be undertaken by Chief Risk Officer).

6. **Any other comments you would like us to consider.**

**Helen Abadzi, Global Partnership for Education (World Bank):** The GAC needs to become a crusader of open ended appointments and of solid criteria for dismissing staff.

**Non-attributed:** It would have been good to see more about issues of resourcing and staffing to implement. The Bank could be more ambitious in its vision to improve governance capacity and create incentives so governance becomes a core Bank issue. Given the decision not to create a governance cadre, it is not clear how the Bank will develop and quality-assure in-house capacity. Proposed courses and creation of a ‘governance competency’ welcomed but this may not be sufficient. A major strategic priority should be how to put experienced governance experts in fragile states where political analysis and creative solutions are the most needed.

**André Westerink, Ministry of Foreign Affairs, Government of the Netherlands:** We appreciate the attention paid in the updated Strategy to the role of the Bank as convener, connector and generator of knowledge. Training of Bank staff is useful, but training of local officials, staff of local NGOs etc., is equally important, as acknowledged in the paper.
Hamish Nixon, Consultant: The move to approaching governance in a problem-solving, incremental fashion is exactly the right one, and ties together the key operational implications - more upstream PEA and other analysis at outset (to define jointly problems), to more outcome oriented results monitoring (to monitor jointly their solutions). This will mean however less standardized indicators, and AGIs must think more in terms of menus of possible approaches, not seeking the "one-best" results framework.

Global Organization of Parliamentarians Against Corruption: Can we do more work with Parliaments?
Non-attributed: Are staff incentivized to raise corruption issues early on in the process?

Global Witness: The document is silent on the question of leadership and personal integrity