



PARLIAMENTARY NETWORK ON THE WORLD BANK

## **U.K. House of Commons International Development Committee Inquiry into the World Bank: PNoWB Response**

### ***Part I: Covering letter***

#### Name and contact details

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#### Request to give oral evidence

None at this time.

#### Request for information to remain confidential

Not necessary at this time.

## **Part II: Memorandum**

### **Summary**

1. Good governance is paramount to achieving lasting poverty reduction in the developing world. As the largest multilateral funder of development cooperation, via both loans and grants, the World Bank Group must reinforce the principles of good governance at every turn in order to achieve its goal of “a world free of poverty.” Key among these principles is parliamentary and civil society engagement. The Parliamentary Network on the World Bank (PNoWB) works to open the Bank up to the democratically elected representatives and citizens of countries in which it works, and to bridge the gap between World Bank rhetoric and reality on stakeholder engagement.
2. PNoWB finds that many of the recommendations emerging from the House of Commons International Development Committee May 2008 special report on DFID and the World Bank have not been addressed by the Bank. In sharing its on-the-ground reality of dealings with the Bank measured against the yardstick of previous IDC recommendations, PNoWB hopes that the information and recommendations here-within will feature prominently during the Committee’s visit to Washington in November and that the Committee will make, in its subsequent report, similar recommendations to the UK Government.
3. Summary of PNoWB recommendations to the Committee:
  - PNoWB recommends that the U.K. push the Bank to open itself up to external peer review mechanisms and that the results of these peer reviews be publicly available.
  - PNoWB recommends that the U.K. advocate for systematic follow-up of World Bank Independent Evaluation Group (IEG) reports two years after their issuance to know if the Bank has learned from its identified challenges and is responding accordingly.
  - PNoWB recommends that the U.K. advocate for the involvement of parliamentarians and civil society actors in the planning, evaluation and follow-up of World Bank-funded programmes at the country level and in global thematic evaluations. This would necessitate a parliamentary/civil society engagement strategy that is written and agreed to in total partnership with all three entities, as a reflection of good governance principles.
  - PNoWB recommends that the U.K. request follow-up reports from the World Bank on how the above recommendation is being implemented in regular two-year intervals.
  - PNoWB recommends that the U.K. reiterate to the World Bank Group the centrality of strong parliamentary and civil society institutions to good governance and meeting its poverty-reduction goals, and that the U.K. initiate an open discussion with Bank leadership on how it can reliably and sustainably fund parliamentary and civil society capacity-building programmes at the country level throughout IDA 16 and beyond.

## Introduction to PNoWB

4. The Parliamentary Network on the World Bank (PNoWB) strives to increase transparency and accountability in the development cooperation process by fostering the “watchdog” oversight role of parliaments and civil society. PNoWB has a specific focus on the work and modus operandi of the World Bank Group, the world’s largest multilateral funder.
5. Founded in 2000, the Network is an independent, non-governmental organization that provides a platform for parliamentarians from over 110 countries in the South and the North to advocate for increased accountability and transparency in World Bank-funded development programs. PNoWB-- via its international secretariat, regional chapters and country chapters-- reaches over 2000 parliamentarians in Africa, Asia, Europe and the Americas. PNoWB also engages with hundreds of civil society organisations (CSOs) in its members’ countries, many of them advocating for increased transparency and accountability from their national governments and its partners.
6. PNoWB has direct dealings with the World Bank group on a daily basis at both the country and global level through its local chapters and international secretariat. For more information on the Network and its activities, see <http://www.pnowb.org/>.

## Factual information for the committee

7. A House of Commons International Development Committee in a May 2008 special report titled “DFID and the World Bank: Government Response to the Committee's Sixth Report of Session 2007–08,” contains the following committee conclusions and recommendations regarding the World Bank’s engagement with parliamentarians, with a special focus on borrowing countries:

[There are no short-cuts in development. World Bank diktat is no substitute for thorough debate and engagement of parliaments and other stakeholders by the borrower country government. It is only by this latter means that a resilient development programme with broad domestic support can be achieved. We recommend that the UK Government develop, with like-minded countries including borrower nations, a proposal for independent monitoring of World Bank conditionality to ensure that all the Good Practice Principles, especially ownership, and dialogue with parliaments are fully reflected in World Bank practice.] Paragraph 42, page 4

8. The level of World Bank engagement with parliamentarians varies widely from country to country as there is no world-wide Bank strategy, standard or baseline requirement for engaging a country’s legislature or civil society. There is also no consistent monitoring of the World Bank’s engagement with parliaments.
9. Currently, the Bank offers a manual of examples of best practices in parliamentary engagement to its country offices – ranging from sponsoring lunches or dinners to including parliamentarians in the Country Strategic Plan (CSP) planning process– but it does not require a minimum amount of consultation and engagement with

parliament or civil society during key stages in programme planning and evaluation from its country offices. In the introductory section of the manual (which is not available on the Bank's online bookstore), Bank staff is reminded that a country's executive branch is the institution's principle counterpart.

[The World Bank argues that its founding articles restrict its ability to engage with political actors beyond governments. The Bank has, however, made some efforts to engage with and consult parliaments and civil society on some policy and operational matters with mixed success. We believe such engagement is particularly important in borrower nations where it has the potential to bring about national debate and ownership, which could significantly enhance World Bank performance as well as strengthening accountability in those countries. We recommend that DFID encourage the World Bank to adopt outreach strategies with parliaments and civil society consistently across its programmes, especially with borrower countries.] Paragraph 81, page 8

10. As stated above, the World Bank has thus far not adopted any consistent outreach strategy to legislators or civil society; rather, this is done on an ad-hoc basis according to individual country directors. There are no organisational standards or requirements to engage parliamentarians and civil society at the country level. There are, however, suggestions and examples of what has worked well for individual Bank country offices in the past.
11. Many World Bank country offices have made efforts to include parliamentarians and civil society actors in the CSP process, which is a step in the right direction. However, there is often very little effort to include these two key stakeholder groups in subsequent stages, including CSP implementation, evaluation and reporting.

[The Parliamentary Network of [sic] the World Bank plays an important role in the Bank's relations with parliamentarians. It receives help in cash and kind from the World Bank but we believe that it would be more effective and more independent if it had a larger secretariat of its own. We ask DFID to consider how it and other donors could provide funding for a larger PNoWB secretariat and for its outreach activities with parliamentarians, especially in developing countries.] Paragraph 83, page 8

12. PNoWB since 2008 has succeeded in becoming completely independent from the World Bank Group after receiving an initial tranche of funding from DFID and the Dutch government to staff an independent international secretariat. Previously, PNoWB was run by World Bank staff and later by consultants paid by the Bank, thus compromising its ability to cast an independent, critical eye on World Bank relations with parliamentarians and civil society. PNoWB is the only organization of its kind, providing parliamentarians with direct access to senior leadership of the Bretton Woods Institutions, acting as a global-level platform for legislators to advocate for increased transparency and accountability from the Bank, and reinforcing the key partnership between parliamentarians and civil society.
13. PNoWB's independence has allowed parliamentarians' voices to rise to the forefront of World Bank-Parliamentary relations and critical appraisals of the Bank's

performance record in parliamentary and civil society relations to be heard. Equally important, the Network has provided a platform for exchange of best practices in World Bank/Parliamentary relations. Where there has been positive collaboration (for example, in Uganda, the World Bank country office and PNoWB Uganda cooperated to bring together parliamentarians, civil society actors, researchers and experts in the field of extractive industries revenue management to advocate for legislation that will ensure transparency in Uganda's rapidly growing oil extraction industry), this is captured as a best practice case study and disseminated to other PNoWB chapters in the region and globally. Thus, organizations like PNoWB help the Bank to fulfill its knowledge-exchange role, while also providing a more neutral account of how the World Bank Group works on the ground.

## **Recommendations for inclusion in the Committee's report**

### **a. Effectiveness of the World Bank Group**

14. The effectiveness of the World Bank Group both at the global and country level is still largely measured by the World Bank Group, via its Independent Evaluation Group (IEG). Although IEG reports directly to the Bank's Board of Executive Directors and its findings are often critical of the Bank's programmes, it is no replacement for proper external peer review. Peer review is universally recognised as a powerful external evaluation tool and as a way to increase accountability and transparency, which in turn leads to greater credibility. Peer review allows partner agencies, governments, legislators and civil society organisations to better understand how an organisation functions and to play a recognised role in the evaluation process. This is especially important at the country level, where programmes are being rolled out.
  15. To date, there has been a distinct lack of external peer review of World Bank projects at the country and global level. In addition, often, when programmes are found to be underperforming (as was the case with a large number of World Bank-funded population, health and nutrition programmes in Africa from 1997 until 2008, according to the Bank's own [IEG report](#)), no one is held to account for this poor performance. Although a management response is issued to each IEG evaluation report, there is no corresponding action plan addressing how these recommendations will be implemented, and there is no follow-up report on whether recommendations and proposed management responses have been operationalized.
- **PNoWB recommends that the U.K. push the Bank to open itself up to external peer review mechanisms and that the results of these peer reviews be made publicly available.**
  - **PNoWB also recommends that the U.K. advocate for systematic follow-up of IEG reports two years after their issuance to know if the Bank has learned from its identified challenges and responded accordingly.**

b. The sixteenth replenishment of the International Development Association, which will set the IDA's priorities for the future

16. PNoWB, in partnership with European Parliamentarians with Africa (AWEPA), has called for a sustained focus on aid effectiveness throughout IDA 16 replenishment and implementation by recommending that the Bank deepen its engagement with parliamentarians and civil society in four key areas: country ownership; strengthening statistical/results measurement systems; adding peer review mechanisms to CAS progress reports; and strengthening health, nutrition and population programmes, which were identified by the IEG as an institutional weakness. For more details on PNoWB's IDA 16 and aid effectiveness campaign and to read a detailed brief on each of the above-listed four key areas, access the [campaign page](#).

- **PNoWB recommends that the U.K. reiterate to the World Bank Group the centrality of good governance to its poverty-reduction mission and to meeting the MDGs by 2015. Strong parliamentary and civil society institutions are the building blocks of good governance and are key to realising country ownership of the development cooperation process, as agreed to in the Paris Declaration on Aid Effectiveness (2005).**
- **PNoWB recommends that in contributing to the IDA 16 replenishment, the U.K. initiates an open discussion with Bank leadership on how it can reliably and sustainably fund parliamentary and civil society capacity-building programmes at the country level throughout IDA 16 and beyond. This could include working with the World Bank Institute, UNDP's Parliamentary strengthening programme, the National Democratic Institute, the UK-based Westminster Foundation for Democracy, and others. [The Overseas Development Institute in 2006/2007 conducted a [review](#) of parliamentary strengthening programmes in developing countries and DFID's experience.]**

c. The way the World Bank involves parliamentarians and others in developing countries

17. In the experience of PNoWB at both the global and country level, World Bank dialogue and engagement with parliamentarians remains largely tokenistic and comes at the "fait accompli" stages of projects and programmes, as opposed to throughout planning, implementation, monitoring and evaluation processes. Often, the Bank cites the fact that it cannot and should not meddle in internal country politics as the reason for keeping legislators at arm's length. Whatever the reason, the end result is an undermining of good governance and participative democracy, which in-turn slows progress towards poverty reduction.

18. The way in which the World Bank involves parliamentarians and civil society actors in developing countries varies from country to country. Engagement can range from nil, to one or two informal hosted luncheons and an annual briefing session, to more consistent, deeper involvement in CSP planning. However, parliamentarians and civil society are often completely absent during key stages of CSP and programme

evaluation, results measurement, reporting and follow-up on World Bank-funded programmes in a country, and during global-level thematic evaluations.

- **PNoWB recommends that the U.K. advocate for required, World-Bank wide, systematized, meaningful involvement of parliamentarians and civil society actors in the planning, evaluation and follow-up of World Bank-funded programmes-- most importantly at the country level, but also in global thematic evaluations. This would necessitate a parliamentary/civil society engagement strategy that is written and agreed to in total partnership with all three entities, as a reflection of good governance principles.**
- **PNoWB also recommends that the U.K. request a follow-up report on how this is being implemented in regular two-year intervals.**

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