

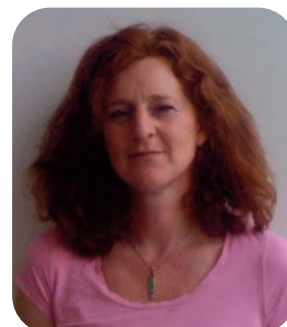
The World Bank and the water and sanitation sector



A GUIDE FOR CIVIL SOCIETY ENGAGEMENT

Foreword

Danielle Morley
Executive Secretary
Freshwater Action Network



World Bank policy influence and financial investments in the sector continue to rise. Complex challenges including the sanitation crisis and climate change require increased commitment from World Bank and civil society to learn from past experience and find innovative ways of solving problems together.

Apart from serving as a handy desk reference, this guide is a starting point for increasing the effectiveness of FAN's contact with, and advocacy related to, the World Bank. We hope that it opens up a wide range of discussions among our membership, and helps us all share experiences and expertise that deepen our engagement with the Bank.

Our research has shown that broad topics, such as influencing Country Assistance Strategies, and understanding Poverty and Social Impact Analysis, as well as thematic issues (including the Bank's role in supporting rights-based approaches and climate change), are areas where information, knowledge and experience could be better shared and discussed throughout the network.

However, despite being an important source of financing, many people struggle when it comes to accessing World Bank projects.

While this guide offers advice on project cycles, and relationship building with Bank staff, influencing individual projects is an area in which more expertise needs to be shared. Likewise, good practice needs to be better developed and understood by civil society, and the Bank.

As FAN continues to link the local to the global, and provide a forum for sharing experience, we need your input, feedback and questions, as well as participation in our online and face to face discussions.

In partnership

Danielle

A Message from the World Bank

John Garrison
Senior Civil Society Specialist
World Bank



We are pleased to comment on this handbook published by Freshwater Action Network (FAN). While the World Bank doesn't endorse all of its messages and analysis, we welcome the handbook's dissemination as it can contribute to strengthening Bank - government - civil society engagement around water policies and practices.

This publication comes in the wake of a long-standing process of engagement between the Bank and civil society on water and sanitation issues which began six years ago and has involved numerous CSOs over the years. It has included policy dialogue sessions, technical workshops, joint research efforts, and ongoing information exchange in Washington and at the country level. The FAN handbook not only contains useful information on the World Bank's origins and governance structure, but brings detailed information on the Bank's water and sanitation policies. What we hope will be especially useful to CSOs is the practical information on ways CSOs can influence and collaborate with the Bank and governments in implementing projects.

As we all know, water is essential to sustain life and promote economic activity, and the livelihoods of the poorest are critically associated with access to water services. Water is an input for agriculture, industry, and energy, as well as a key driver of growth and poverty reduction. Growing and competing demands for water are putting a strain on this finite resource. Global water consumption is expected to increase by 50 per cent over the next 30 years to meet development needs. Climate change will add to the complexity of managing water resources by intensifying and accelerating the dynamics of the hydrological cycle.

Within this context, the World Bank plays a unique development role in the water sector. It is the largest external financier in water supply and sanitation, irrigation and drainage, river basin management, and other water-related sectors. It has seen a significant increase in lending in all water sectors over the 2003 – 2010 period, including water supply and sanitation, irrigation and drainage, hydropower, and flood protection. Providing clean water and sanitation for the poor is a common challenge that governments, civil society, the private sector, and donor agencies must address, and it is our hope that this handbook will help to promote greater understanding and collaboration among these actors.

In all its forms, civil society is probably the largest single factor in development. If not in its monetary contribution, then certainly in its human contribution and its experience and history. James D. Wolfensohn Former president, World Bank

About us

Freshwater Action Network (FAN) is a major network of civil society organizations implementing and influencing water and sanitation policy and practice. Our members, from around the world, are respected for their unique skill, experience and perspective. Our strategy is shaped by a consortium of CSO networks in Latin America, Africa and Asia.

Our vision

A world where water is a respected, protected and cherished resource, for all forms of life, and universal access to water and sanitation is achieved responsibly, equitably and inclusively.

Our mission

To improve water governance by strengthening civil society's role in decision making with the ultimate aim of making the right to water and sanitation for all a reality for present and future generations.

Operating principles

- FAN is a non-profit making organization
- FAN members respect each others unique skill, experience, perspective and contribution
- FAN strives for gender equality in its activities
- FAN encourages its members to take ownership of the network in a spirit of cooperation and sharing
- FAN upholds the principles of non-hierarchical and democratic networking
- FAN is facilitative and innovative and is open to change and learning
- FAN promotes voices of marginalized and excluded communities in policies and programs
- sustainable water resource management and water supply to be integrally linked

Acknowledgements

The process that identified the need for this guide began in 2007 during a FAN meeting at World Bank Water Week and a subsequent process to identify dialogue activities to deepen engagement between FAN and the World Bank.

Kolleen Bouchane, FAN Advocacy Action and Learning Officer, managed the global consultation, regional inputs and is the lead author. She is grateful to members of FAN Global who contributed to this research by reviewing initial drafts, particularly Ramisetty Murali, Jorge Mora and for the regional research of Seidy Salas Viquez, and Depinder S Kapur.

Special thanks also to World Bank staff Cathy Revels and John Garrison for the time they took not only to review previous drafts but for their ongoing commitment to this process of engagement. Gouthami Padam, consultant in the World Bank Water Anchor was also a great resource and offered dynamic support throughout the process and Bob Roche, whose consultancy with the Bank to capture examples of effective CSO-Bank engagement in the sector will be a serious contribution to our ability to learn from good practice.

Thanks also to Julia Bucknall, Sector Manager, Water Anchor and Jaehyang So, Manager, Water & Sanitation Program for taking time out of their busy Spring Meeting schedules to join a conference call with FAN members around the world to not only hear FAN views but also to share their own work and insight. For their commitment to this process and to FAN even as they changed roles and portfolios as the World Bank, a very special thank you to Meike van Ginneken and Eric Dickson, Water & Sanitation Specialists.

Making a start on this guide would have been much more difficult without Mary O'Connell, Advocacy Support & Training Manager, WaterAid, who not only created the first primer on the Bank for the WASH sector in 2005 but whose ongoing support and advice was invaluable. Ceridwen Johnson, Network and Communications Manager FAN, supported not only the World Bank-CSO scoping study from inception but managed the final editing and design of this publication. Tremendous thanks to both.

For their input and advice on specific sections, thank you to Jesse Griffith, Coordinator, Bretton Woods Project, Dan Yeo Climate Change Policy Analyst, WaterAid and Timeyin Uwejamomere, Senior Policy Analyst (Urban), WaterAid.

Thanks to David Matthews for subediting and to Seacourt, whose design has made the text more accessible and publication more environmentally sustainable.

With special thanks to the UK Department for International Development for their investment in this publication but more importantly for their ongoing understanding of and support for transformational advocacy and engagement efforts towards access to water and sanitation for all.

We look forward to working with network members and other to 'roll out' this handbook and to continuing to learn, share and influence each other and World Bank staff.

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Why engage with the World Bank?

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Sector investment and policy influence

With a portfolio of \$20 billion of water-related projects in more than 100 countries, the World Bank is the water sector's largest external financier; and by its own reckoning, it anticipates 'strong growth' in sector lending¹.

In 2010, the Bank's two public-lending institutions – the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA) – spent more than \$58 billion on development finance, with the IBRD and IDA committing \$44.2 billion and \$14.5 billion respectively to the world's poorest countries².

Through its research, technical assistance and involvement in policy debates, the World Bank is influential in shaping development debate, policy and strategy. For instance, over the past decade, the IDA lent 'some US\$5.2 billion to support investment in environment and natural resource management (ENRM)' – 15 per cent of which was allocated to environmental policy and institutions³.

The World Bank is also the biggest financier of climate change investment.

World Bank Climate Investments by Region

Africa \$1.7 million
East Asia and Pacific \$8.4 million
Europe and Central Asia \$5 million
Latin America and Caribbean \$3.7 million
Middle East and North Africa \$423 million
South Asia \$3.8 million

(Source: <http://beta.worldbank.org/financing>)

Does engagement change anything?

Over the last few decades Madeine citizen-based advocacy campaigns have been instrumental in creating environmental and social reforms. Campaigns that started as local resistance to Bank-financed projects – calling for improvements to, or

¹ Water – Operations <http://go.worldbank.org/D3ALFV6B50>

² World Bank Annual Report (2010)

³ http://siteresources.worldbank.org/IDA/Resources/73153-1285271432420/IDA_AT_WORK_Environment_2010.pdf

cancellation of projects – have had tangible effects. On many occasions, these campaigns have evolved into alliances among local, national and international groups that continue to push for reforms

Many Bank safeguard policies, which are designed to protect third parties from negative impacts of investment and to promote environmental and social benefits, have resulted from campaigns aimed at cases of environmental and social harm caused by Bank-financed projects. The Bank Inspection Panel (to which direct appeals can be made if people feel they have been harmed by Bank projects), is also a product of these processes.

Because of its interaction with civil society, the Bank now acknowledges that to achieve real development, economic growth must be embedded in a social framework that recognises good governance and equity as equally important.⁴ Consequently, the Bank has more than 120 Civil Society Focal Points working across the institution in over 80 country offices, and Washington, DC.⁵ But there are on-going challenges. These include:

- the costs of meaningful engagement
- a level of engagement that some critics perceive as 'ad-hoc' and 'disconnected from policy processes'⁶
- engagement as a 'box-ticking' exercise, rather than a genuinely useful activity for all stakeholders (due at least in part to demands on Bank staff and inadequate systems for monitoring and evaluating participation)⁷

In 2007, FAN began a soft engagement with the Bank, which started with a scoping study to identify prospects for World Bank-CSO dialogue on urban water supply and sanitation. Our research uncovered limited evidence of effective dialogue between the World Bank and civil society at national, regional or global levels on water; and it found that many people struggle to understand or influence Bank policy and practice at the country level. This handbook is partly the result of this engagement.

Despite the challenges, the FAN Global consortium agreed that, as the Bank determines policy in many developing countries, we should continue to explore opportunities to engage. Through engagement, we see the possibility for enhancing space for CSO involvement in policy at the national, regional and international levels.

⁴ O'Connell, Mary and Belinda Calaguas (2005), *World Bank Primer: An overview document of the structure of the World Bank Group and those elements of it relating to the domestic water sector*. For WaterAid staff and Partner organizations. WaterAid Public Policy and Education Department. p. 29-30.

⁵ Contacts information for Bank staff online at <http://go.worldbank.org/EPFCJEKZ00>

⁶ Reynolds, Carolyn (October 2003), p. iii.

⁷ Ibid, p. 14.

What Works, What Doesn't and Why

The World Bank report *Assessing Aid: What Works, What Doesn't and Why*, highlights that projects involving beneficiaries achieved a 62 per cent success rate vs. 10 per cent for those that did not. Also, the participation of CSOs in development improves outcomes 'by contributing local knowledge, providing technical expertise, and leveraging social capital. CSOs can bring innovative ideas and solutions, as well as participatory approaches, to solving local problems.⁸

Learn more about the Bank and civil society:

- *Issues and Options for Improving Engagement Between the World Bank and Civil Society Organisations* (2005)
- *Consultation with Civil Society: A Sourcebook* (February 2007)
- *World Bank Civil Society Engagement Review of Fiscal Years 2007-2009* (2009)

Source: <http://go.worldbank.org/WW19KG3KS0>

⁸ World Bank civil society pages <http://go.worldbank.org/PWRRFJ2QH0>

Bank-CSO Phases of Engagement⁹

Phase Two – 1992-1999

A period that saw rapid growth in the capacity of CSOs to question and confront the Bank. The Bank worked on 'mainstreaming participation in its operations and policy dialogue' and created its first information policy in 1993, as well as the independent monitoring and evaluation 'Inspection Panel'.

In 1998, the Bank reviewed its relations with NGOs, issuing 'Good Practice 14.70: Involving NGOs in Bank-supported activities', which replaced a 1981 directive.¹⁰ (This remains the Bank's only official guideline for Bank staff on CSO relations, although several additional guides and sourcebooks have been produced over the years.)

The Present Phase – 2006 - present

Increased consultation and growing numbers of CSO representatives participating in the Bank's Annual and Spring Meetings.¹³ In 2009, for instance, approximately 300 CSO representatives participated in the Spring Meetings – a 36 per cent increase from 2008.¹⁴

Gaining access to Bank information policy is now seen as letting 'civil society play a more active role in ensuring the proper implementation of Bank-funded activities'.¹⁵

Phase One – 1980s

The Bank 'opened its doors to CSOs', establishing an operational directive for working with NGOs in 1981. The following year, the Bank-NGO Committee was created for policy dialogue (this was phased out in 2000.)

Phase Three – 2000 and 2005

Bank/CSO relations deepened and matured, and addressed more political concerns. Frustration with the Extractive Industries Review (launched in 2001); and CSOs' concerns over the Joint Facilitation Committee (JFC)¹¹ – a transitional consultative body for creating transparent, democratic mechanisms for CSO/Bank engagement – raised questions about potential substantive change.

As one millennium gave way to another, the Bank participated in two multi-stakeholder processes: the World Commission on Dams (1997-2000); and the Structural Adjustment Participatory Review Initiative (1998 - 2002). The Bank adopted a number of policy recommendations, including reducing financing for large dams, reducing loan conditionalities, and analysing the poverty and social impacts of its projects.

In 2005, several NGOs and CSOs boycotted the World Bank-Civil Society Global Policy Forum, so that the Bank could not, 'escape accountability for its previous failings'. Nevertheless, some activists who joined the boycott still attended Bank events and workshops, and continued their dialogue and influencing 'from within'.¹²

⁹ Bretton Woods Project (17 Nov 2003) *The World Bank and civil society Update 37*. Available: <http://www.brettonwoodsproject.org/article.shtml?cmd%5B126%5D=x-126-27513> p.5.

¹⁰ World Bank (July 1998), *Involving Nongovernmental Organizations in Bank-supported Activities* (GP14.70). Available: <http://go.worldbank.org/Z1R2COYCB0> p.1.

¹¹ More on the JFC -- <http://go.worldbank.org/BIOMRV2IA0>

¹² Mekay, Emad (28 Apr 2005). *World Bank Critics Look Askance at Dialogue*. Available: <http://www.choike.org/2009/eng/informes/2903.html>

¹³ World Bank – *Civil Society Engagement. Review of Fiscal Years 2007-2009*. Chapters 1 and 2.

¹⁴ Ibid. p. 5.

¹⁵ Ekdawi, Amy (February 2010), *The World Bank's New Disclosure of Information Policy: How Can Civil Society Ensure Its Proper Implementation?* *International Budget Partnership e-Newsletter No. 52*. Available: HYPERLINK "<http://www.internationalbudget.org/resources/newsletter52.htm>" \I "WB"<http://www.internationalbudget.org/resources/newsletter52.htm#WB> pp. 14-15.

The World Bank Group: Origins, Governance and Voice

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Origins

The World Bank Group (WBG)¹⁶ was set up in July 1944, when delegates from 44 governments met in Bretton Woods, New Hampshire, USA, to help rebuild Europe after the devastation of World War II. At the same time, the International Monetary Fund (IMF) was formed, originally to enforce a number of fixed exchange rates linked to the US dollar. Because of their shared history and similar roles, the World Bank and the International Monetary Fund (IMF) are often discussed simultaneously. However, their roles are very different.

Today, the IMF deals with macro-economic issues relating to the overall economic picture of a country (the inflation rate, balance of payments, etc.), as well as those affecting the global economic picture. Consequently, it provides short-term financial support to governments in times of need. The World Bank on the other hand is concerned with longer term issues of economic growth and poverty reduction, which means it often focuses on different sectors or components within a country.

The WBG is now one of the largest sources of development assistance funding in the world, and is the largest source of aid for the water and sanitation sector. Its stated mission is, 'to fight poverty with passion and professionalism for lasting results and to help people help themselves and their environment by providing resources, sharing knowledge, building capacity and forging partnerships in the public and private sectors.'¹⁷

Join the discussion: is the World Bank achieving its mission to fight poverty?
www.freshwateraction.net/worldbank

¹⁶ The WBG consists of five major institutions: the International Bank for Reconstruction and Development (IBRD); the International Development Association (IDA); the Multilateral Investment Guarantee Agency (MIGA); the International Finance Corporation (IFC); and the International Centre for Settlement of Investment Disputes (ICSID). The 'World Bank' (minus the 'Group') consists of the two important institutions for the water and sanitation sector: the International Bank for Reconstruction and Development (IBRD); and the International Development Association (IDA).

¹⁷ <http://go.worldbank.org/3QT2P1GNH0>

The President

The WBG has a Board of Governors and Board of Directors led by the president. Since its inauguration at Bretton Woods, all 11 presidents have been appointed by the US President.¹⁸ In 2009, the World Bank launched the Zedillo Commission, headed by Mexican president Ernesto Zedillo, to recommend Bank reforms. One recommendation made by the Commission was that the process for selecting the Bank's president be changed to a merit-based, open process.¹⁹

Board of Governors

There are 187 member countries and each appoints one Governor and one Alternate Governor,²⁰ for a five-year term. Generally, Governors are ministers of finance or development in their home countries. Although the Board of Governors only meets once a year at the Bank's annual meeting, and delegates most of its power to the Board of Executive Directors and the Bank president, Governors are the ultimate decision and policy makers at the Bank.

Transparency of World Bank Governance

Transcripts of Board and Board Committee meetings, as well as formal statements to the Board made by member countries, can only be disclosed after 10 years. All communications between an Executive Director's office and its capital are confidential. Some critics argue that this makes Bank members unable to disclose what should be accessible to their citizens under their own freedom of information policies. This restriction, for example, contradicts the US Freedom of Information Act, which covers communications between the US Treasury and the Bank's US Executive Director.²¹

Executive Directors

Based in Washington D.C., the 25 Executive Directors (EDs) are appointed or elected by members every two years. Through them, national governments oversee the Bank's policies, and accept or reject loans offered by the organisation. In July 2010, the World Bank's Board of Governors approved a first phase of reforms by adding an additional Executive Director seat for Sub-Saharan Africa.

Learn more and join the discussion: What do you think of the Bank's access to information policy? www.freshwateraction.net/worldbank

¹⁸ The European Union appoints the head of the IMF.

¹⁹ Linn, Johannes F. (18 November 2009). *The Zedillo Commission Report on World Bank Reform: A Stepping Stone for the G-20 Summits in 2010*. The Brookings Institution. Available: http://www.brookings.edu/articles/2009/1118_world_bank_reform_linn.aspx

²⁰ For a complete list of member countries, visit <http://go.worldbank.org/14OS09UZ90>

²¹ Jenkins, Bruce (March 2010), *The World Bank's New Access to Information Policy: Conceptual leap with limits*. IFI Info Brief. Bank Information Center and Global Transparency Initiative. Available: http://www.ifitransparency.org/?AA_SL_Session=e983eeb6bf2f2ebf5988c4c75ffe874a&x=67915, pp.10-11.

Influencing World Bank Executive Directors

Although it is difficult, you can influence the Bank's Board Directors at the Bank's spring and annual meetings. Freshwater Action Network and many other NGOs and CSOs provide support to attend these meetings and meet with relevant officials at the Bank.

Sub-Executive Level Governance

Bank vice-presidents manage six regions: Africa; the Middle East and North Africa; South Asia; East Asia and Pacific; Latin America and the Caribbean; and Europe and Central Asia, several thematic networks, and a number of other operational units. The Vice Presidential Unit (VPU) is the principal organisational unit of the World Bank and is responsible for all operations in borrower countries within its region.²²

Organisation of Regional Vice-Presidential Units

Country Management Units (CMUs) are responsible for Bank dialogue within countries and the preparation of the Country Assistance Strategy. In addition, regional technical units with specialised knowledge and skills in major sectors – i.e. agriculture, industry/energy, infrastructure, and population and social development – provide expertise on a project-by-project basis.²³

Projects are handled by a Task Team Leader (TTL), from inception to completion, whose responsibilities include monitoring, procurement and consultant selection. TTLs often need specialist support and will ask people from various parts of the Bank to become members of their team to provide 'cross support'. The pressures of managing a project can mean that TTLs are very busy; and if there is no directive to engage civil society they may not be compelled to act.

Join the discussion: Is power distributed fairly in the bank?
What do you think about how decisions are made?
www.freshwateraction.net/worldbank

²² World Bank Management <http://go.worldbank.org/0RACEZ2060>

²³ Ibid.

Voice

Whose Bank is it anyway? Member Countries and Voting

The Bank is owned by its 187 member countries and has adopted a weighted system of voting, to be implemented in phases and should give developing and transitional countries more voting power.

The Zedillo Commission (Section 3.5) proposed a 50/50 voting structure between developed and developing countries, an increased total number of shares/votes, an elimination of the US veto as well as proposed changes to the shareholder structure, including a consolidation of European seats to reduce the size of the board.

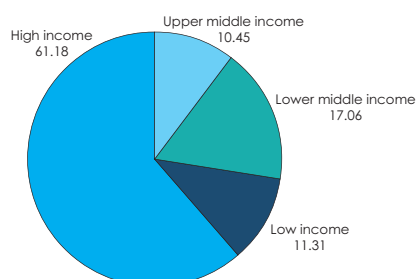
But the Bank's reforms do not go this far. Not all countries have taken up the full voting shares available to them because this requires them to make a financial contribution to the Bank.²⁴

In February 2010, UK International Development Secretary Douglas Alexander spoke on the need for voting and other reforms, 'to give the poorest a greater voice':²⁵

'We need now to revisit the global architecture that was established more than half a century ago... we cannot sensibly address the need to do more in fragile states, the right balance of resources between middle and low income countries, or indeed the ability of the Bank to respond to crises, without addressing weaknesses in the governance and accountability of this post-war institution... such reform is long overdue, and critical to ensure that the Bank is a true partnership reflecting the reality of its work and its mission today – not that of 66 years ago.'²⁶

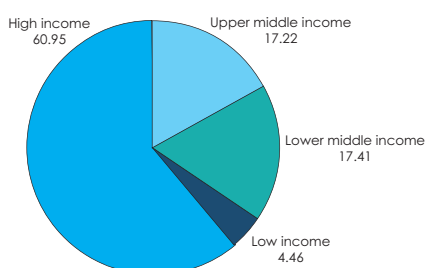
International Development Association

IDA Voting Shares (%)

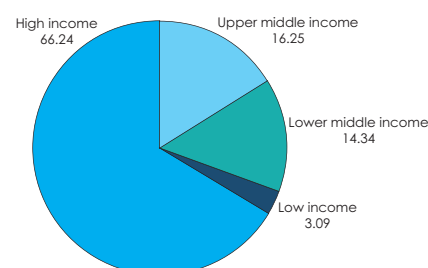


International Bank for Reconstruction and Development

IBRD Voting Shares (%)



IFC Voting Shares (%)



Charts: Bretton Woods Project
(April 2010)

²⁴ Bretton Woods Project (April 2010). *At Issue: Analysis of World Bank voting reforms. Governance remains illegitimate and outdated*. Available: <http://www.brettonwoodsproject.org/art-566281>

²⁵ Alexander, Douglas. *UK International Development Secretary (11 Feb 2010) Out of the Bretton Woods: Building a World Bank for the 21st Century*. Speech. Full text available: <http://www.dfid.gov.uk/Media-Room/Speeches-and-articles/2010/Building-a-World-Bank-for-the-21st-Century/>

²⁶ Ibid.

Sections of the Bank most relevant to water and sanitation

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International Bank for Reconstruction and Development (IBRD)

The IBRD seeks to ‘work with members to achieve equitable sustainable growth in their economies and find solutions to regional and global problems in economic development and environmental sustainability, all with a view to reducing poverty and improving standards of living.’²⁷

The highest proportion of IBRD lending goes to Latin America and the Caribbean, followed by Europe and Central Asia, East Asia and the Pacific region. In the 2009 fiscal year, five countries – Brazil, Mexico, China, Indonesia and Poland – received 49% of total IBRD funding.²⁸

²⁷ World Bank (2009), *World Bank – Civil Society Engagement. Review of Fiscal Years 2007-2009*, pp. 58-9.

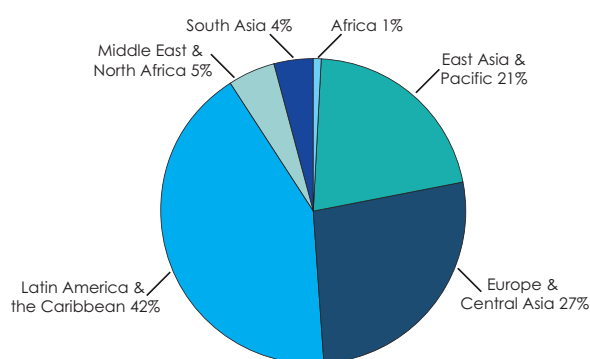
²⁸ Ibid, p. 59.

International Development Association (IDA)²⁹

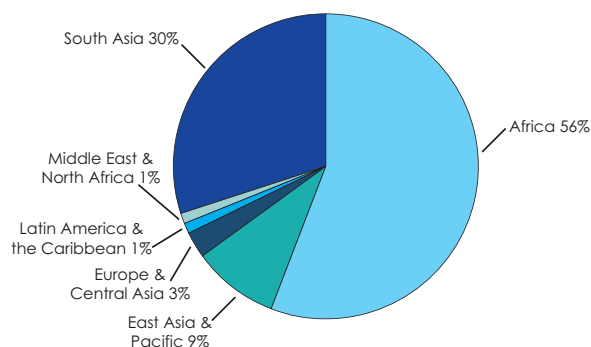
IDA is the 'largest channel of concessional financing to the world's poorest countries'³⁰ and the 'the single largest source of financial assistance in low-income countries'.³¹ To receive IDA resources, a country must demonstrate an ability to implement policies that the World Bank determines promote economic growth and poverty reduction. Decisions are made by the Bank using the Country Policy and Institutional Assessment (CPIA) and the IDA Resource Allocation Index (IRAI). Combined with the 'portfolio performance,' the Bank calculates an IDA Country Performance Rating (CPR).³² In 2009, 79 countries were eligible for IDA funding.³³

IDA and IBRD, share the same staff, headquarters, president, standards and governing structures.

Total IBRD lending by region /
Fiscal 2009
Share of total lending of \$32.9 billion



Total IDA commitments by region /
Fiscal 2009
Share of total lending of \$14 billion



Sustainable Development Network (SDN)

The Sustainable Development Network (SDN) was created in 2006 by combining the Human Development, Infrastructure (INF) and the Environmentally and Socially Sustainable Development (ESSD) networks. The SDN includes:

- Energy/Transport/Water (Water Supply and Sanitation, Irrigation and Drainage, Hydropower and Water Resources Management)
- Environment (Forests and Forestry, Corporate Responsibility, Climate Change, Coastal and Marine Management, Environmental Economics and Indicators, Biodiversity, Environmental Health, Country Environmental Analysis)
- Finance/Economic/Urban Development (city management, governance, and finance; 2) urban poverty; 3) cities and economic growth; 4) city planning, land,

²⁹ World Bank (2009) World Bank – Civil Society Engagement. Review of Fiscal Years 2007-2009. p. 60.

³⁰ Ibid, p.55.

³¹ Water – Operations <http://go.worldbank.org/D3ALFV6B50>

³² For more on how these work – 'How IDA Resources are Allocated' <http://go.worldbank.org/F5531ZQHT0>

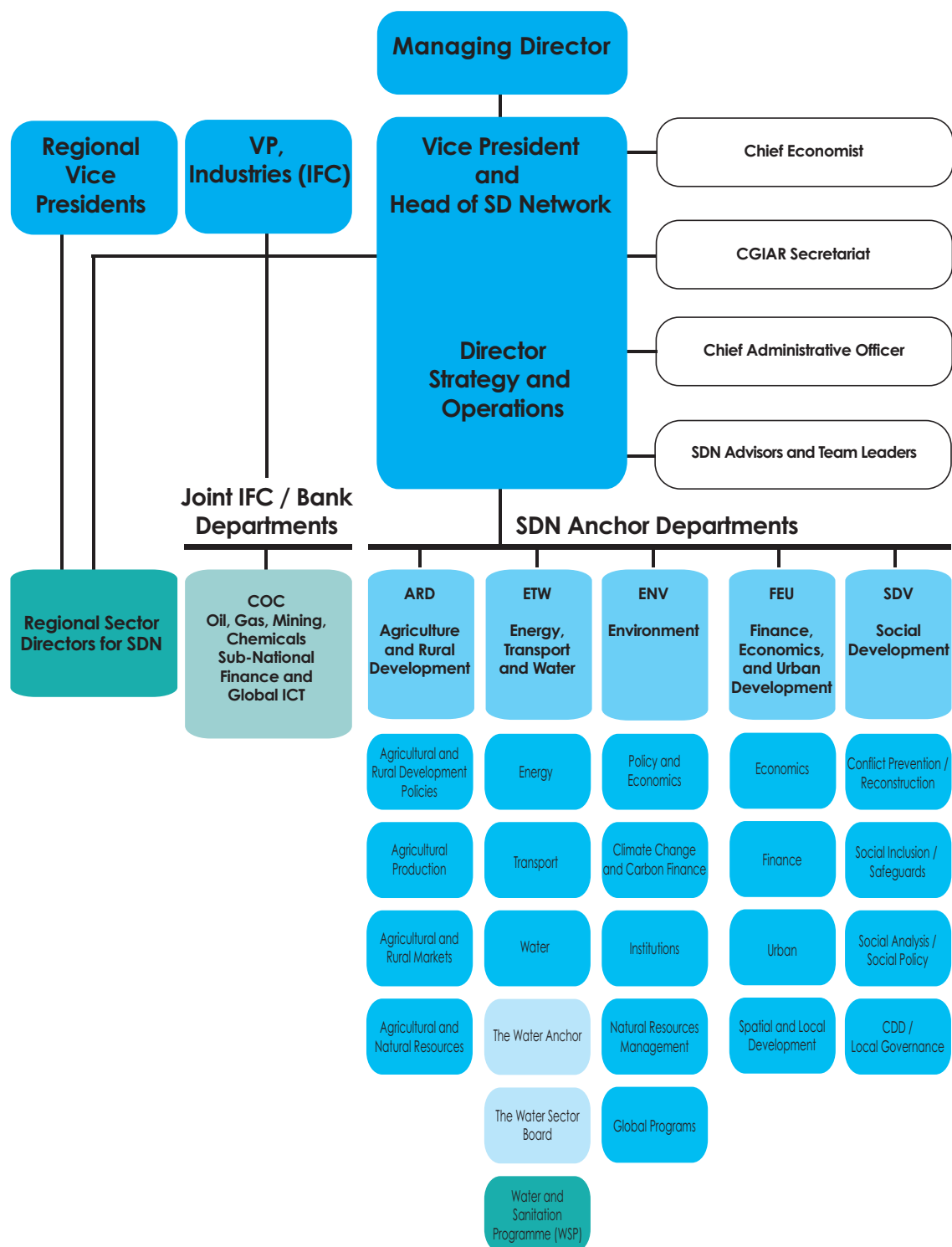
³³ There are also 'blend countries' IDA- eligible but credit worthy enough to access IBRD. Complete list with designations available <http://go.worldbank.org/83SUQPXD20>

³⁴ World Bank – Civil Society Engagement. Review of Fiscal Years 2007-2009. (2009), p.56.

and housing and; 5) urban environment, climate change and disaster management)³⁵

- Social Development
- Agriculture/Rural Development

The SDN also hosts the Secretariat for the Climate Investment Funds (CIFs) and includes: Oil, Gas, Mining and Chemicals; Global Information and Communication Technologies; and Sub-National Finance.³⁶



³⁵ Urban Development launched a new strategy in November of 2009 called 'Systems of Cities: Harnessing urbanisation for growth and poverty alleviation'. For more on urbanisation and water supply see WaterAid's 'Our water, our waste, our town'.

³⁶ These are joint-managed by the WBG and IFC.

The Water Anchor

The primary team responsible for implementation of water projects and policy

- formulates and monitors water sector strategy
- acts as a Secretariat for the Water Sector Board (below)
- supports regional operations
- identifies and supports global advocacy, partnerships and innovations on IWRM
- supports knowledge management and learning on water
- provides projects with technical assistance (Expert Facility Teams) on hydrology, groundwater management and sanitation, wastewater and hygiene services, and analytical work
- creates and manages trust funds for water, such as the multi-donor Water Partnership Program

The Water Sector Board

A high level body which takes a holistic view of water issues across the entire SDN and supports the network to:

- promote innovation
- tackle issues that cut across water-using sectors
- enhance the overall quality of projects and services in the water sector
- foster strong focused intellectual leadership for Bank-wide water practices and face-to-face meetings within the international community
- work with the Energy and Mining Sector Board and other entities to coordinate, implement, and support and promote development of regional hydropower projects.

Water and Sanitation Program (WSP)

A 16 donor partnership that supports poor people to obtain affordable, safe and sustainable³⁷ access to water and sanitation services. WSP has offices in 25 countries across Africa, East Asia and the Pacific, Latin America and the Caribbean, South Asia, and in Washington, DC.

The WSP engages in a range of partnerships with CSOs:

- **Scaling up pilots, i.e.** identifying, disseminating and supporting successful pilot initiatives that serving the poor
- **Communicating for reform**, by supporting efforts to strengthen political will for sector reforms
- **Conducting research and learning**, by seeking to create new knowledge and approaches
- **Promoting social accountability** via support for robust, evidence-based tools, and forging mechanisms of engagement with government and sector agencies. This support relies on civic engagement, i.e. ordinary citizens, service users and/or CSOs, who participate directly or indirectly in holding service providers accountable

³⁷ <http://www.wsp.org/wsp/about/Donors>

WSP Partnerships for voice and scaling-up services to the poor

WSP partners with CSOs to promote sector accountability and strengthen the voices of the urban poor. In Kenya, for example, WSP Africa responded to CSOs' request to support network building by assisting in the start-up activities of the Kenya Water and Sanitation Civil Society Network (KEWASNET) – an ANEW partner focused on promoting good governance. WSP in Kenya is also part of a partnership with the Nairobi Water Company, the Athi Water Services Board, local NGOs Maji na Ufanisi and Pamoja Trust, and the European Union, to extend services to informal settlements. WSP Africa is partnering with ANEW East Africa to monitor 'Ethikweni' – a regional sanitation monitoring initiative. Similar initiatives and partnerships exist in Peru and India.

As a part of the Bank, the WSP has a high level of access to national policy makers, bilateral donors and sector agencies, Bank projects and project teams; and it actively contributes to thematic discussions and knowledge generation in the sector. Working with the WSP is a way to support its efforts, as well as benefit from its evidence-based technical assistance, capacity building, and knowledge exchange. So find out if WSP is working in your country, and explore possible partnerships.

WSP publications, and a free monthly newsletter entitled Access, are available at www.wsp.org. You can also find WSP on YouTube at: www.youtube.com/user/WaterSanitation.

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Policies most relevant to the water and sanitation sector

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The Water Resources Sector Strategy (WRSS)	16
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The Sustainable Infrastructure Action Plan (SIAP) 2008

The SIAP is designed to increase lending for infrastructure in developing countries; it guides infrastructure funding for 2009-11 by:

- addressing the core access agenda for development
- strengthening cross-sectoral linkages
- mainstreaming sustainability as a core dimension of infrastructure
- scaling up Bank infrastructure support and leverage³⁸

In 2010, the Bank committed a record \$72 billion of funding to infrastructure for energy, transport, water, sanitation, and ICT.³⁹

The Bank's history of funding large infrastructure projects has been economically, socially and environmentally controversial.⁴⁰ Critics argue that alternative project options with low environmental and social risks and high development rewards, are not chosen because the Bank 'is not equipped to recognise and support the often slow, decentralised, participatory, and democratic processes that low-risk projects entail.'⁴¹

WBG infrastructure commitments fiscal years 2010 and 2009 (in US billions)		
WBG	FY10*	FY09
IBRD	44.2	32.9
IDA	14.5	14.0
IFC	12+	10.5+
MIGA	1.5	1.4
TOTAL	72.2	58.8
*Preliminary and unaudited numbers as of July 1. +Own account only. Excludes more than \$5 billion in FY10 and \$4 billion in FY09 in funds mobilised from other investors. Source: http://go.worldbank.org/WYANTOUMZ0		

³⁸ World Bank Infrastructure Home Page <http://go.worldbank.org/31Y6AHZK60>

³⁹ Demand for World Bank Group Support Tops \$72 Billion as Developing Countries Face Continued Financing Gaps (1 July 2010), <http://go.worldbank.org/WYANTOUMZ0>

⁴⁰ Environmental Defence, Friends of the Earth and the International Rivers Network (2003).

⁴¹ Bretton Woods Project (September 2003), 'World Bank announces renewed big infrastructure push'. Available: <http://www.brettonwoodsproject.org/article.shtml?cmd%5B126%5D=x-126-19074>

The Water Resources Sector Strategy (WRSS) (2003)

The WRSS aims to promote a 'principled but pragmatic approach' to integrated water resources management, and support countries to identify optimal water resources development and management options. It also aims to re-engage in 'high-risk, high-reward' hydraulic infrastructure projects, as a means of providing security against climatic variability.⁴²

Private sector participation in water and sanitation services (and dams and irrigation) is an important element of the WRSS. As with the Private Sector Development Strategy or PSDS (see below), the strategy calls for the International Finance Corporation (IFC) to provide more support to private sector finance and investment in the sector, by using the Output-Based Aid approach (OBA) developed in the PSDS.

The IBRD and IDA support the WRSS with appropriate legal, regulatory and other institutional arrangements for water management, to create an 'appropriate investment climate'.⁴³

In March 2000, the World Bank established the Water Resources Management Group (WRMG) to attempt to integrate water sub-sectors such as hydropower, water supply and sanitation, irrigation and drainage, and environment. The members of the WRMG are the lead individuals from these sub-sectors; lead water resource specialists from each region; water leaders from the World Bank Institute; the International Finance Corporation (IFC); the Global Environment Facility secretariat; and a representative from the Bank's legal department.⁴⁴

The Bank notes that the 2003 Water Resources Strategy is 'based on experience with implementing the Dublin Principles'⁴⁵ (developed to reverse the trends of overconsumption, pollution and rising threats of drought and floods) and 'explains the different ways in which water management affects poverty.' The Dublin principles called for a fundamentally new approach to the management of water resources based on the recognition of interdependence between population groups and between mankind and nature with regard to the utilization of water resources. Some critics argue that, rather than implementing the principles of IWRM, the Bank is leveraging the opening of markets for private sector expansion.⁴⁶

The following are included among seven key messages in the Bank's WRSS strategy:

- Water resources management (WRM) and development were identified as being central to sustainable growth and poverty reduction, and therefore of central importance to the mission of the World Bank
- The Bank recognised that most developing countries had to become active in both management and development of water resources infrastructure. The Bank pledged to support developing countries in building capacity to develop and manage water resources

⁴² World Bank (2003), p. 3. Within the strategy, the Bank identifies seven key messages (pp.2-4) to provide the context for the strategy's conclusions. To fully understand the strategy, it is worth reading these messages in their entirety.

⁴³ World Bank (February 2003), *Water Resources Sector Strategy: Strategic Directions for World Bank Engagement*, pp. 54-7.

⁴⁴ Bretton Woods Project (8 April 2006) *The World Bank and Water*, Available: <http://www.brettonwoodsproject.org/art-531818>.

⁴⁵ The Dublin Statement on Water and Sustainable Development, International Conference on Water and the Environment, UN (31 January 1992)

⁴⁶ Both ENDS Environment and Development Service, The Netherlands. <http://www.bothends.org>

- The strategy identified the main management challenge as not a lack of support for integrated water resources management, but rather the inability to develop a 'pragmatic but principled' approach that would respect principles of efficiency, equity and sustainability – while recognising that water resources management was highly political. The strategy noted that reform would require the articulation of prioritised, sequenced, practical and patient interventions⁴⁷

Both ENDS, an NGO which supports organisations in developing countries to work towards sustainable environmental management, describes the World Bank's approach to water resources as one which "instead of focusing on the water crisis as an underlying theme," takes IWRM as a tool to "'optimize' water management" and "identify new areas for private sector investment in infrastructure." Both ENDS argues that the "key evaluation criterion is not environmental sustainability or social equity but economic productivity" and that the Bank does not adequately recognise ecological limits and the need to broaden public participation in water resources management.⁵⁰

The WRSS states

'Improved water resources management only happens when there are incentives for empowered actors to make things change. The OED [Operations Evaluation Department] review and the World Bank's consultations show that the insertion of the private sector (as operators of an urban water supply or a hydropower plant) provides a powerful incentive to change.'⁴⁸

Critics argue

'...there are a number of limitations in the World Bank's water strategy and these stem from the organisation's misplaced faith in the private sector... The strategy... does not properly consider the full range of alternatives... [and] represents a rigid one-sided, one-size-fits-all approach.'⁴⁹

The Negotiated Approach

The Negotiated Approach is an alternative methodology to mainstream IWRM developed by the environmental NGOs Both ENDS in the Netherlands and Gomukh in India.

Even when state water resource planning attempts to be both participatory and integrated, the planning that emerges tends to be centralized and top-down. Rarely are the interests and capacities of those living in the sub-basin or micro-catchment fully taken into account. Methods are based on a range of assumptions about local needs, water availability and flow characteristics, economic development projections and tend to conflict with local realities. It is precisely the lack of attention to local needs and local environmental realities that leads to a lack of a truly 'integrated' plan for water management.

Bottom-up negotiation means that local realities are the starting point, and that these realities are gradually integrated into plans at higher administrative or

⁴⁷ Complete key messages available: World Bank (2003), *Water Resources Management*, pp. 2-4.

⁴⁸ World Bank (February 2003), *Water Resources Sector Strategy: Strategic Directions for World Bank Engagement*, p. 55.

⁴⁹ Hall, D., Bayliss, K., and E. Lobina (2001). *Still fixated with Privatisation: A Critical Review of the World Bank's Water Resources Sector Strategy*. Public Services International Research Unit (PSIRU), London.

⁵⁰ Both ENDS Environment and Development Service, The Netherlands. <http://www.bothends.org>

institutional levels through a process of institution building, negotiation and mutual adjustment. In essence, the negotiated approach is not in disagreement with the principles of integrated water resource management, rather, it is a reaffirmation of the basic principles.

By explicitly emphasizing the role of local players, it raises inclusiveness to the level of a key organizing principle an explicit respect of the voice of local actors and civil society by placing them in the driving seat. Because each catchment is different in terms of its water resources, its physical infrastructure, its climate and its economy, it follows that no one size fits all policy can be applied to water management and that local realities should be the basis of decision-making.

Instead of being driven by technology, the negotiated approach departs from basic needs and reflects local priorities. The technology-driven approach that has traditionally been the domain of engineers in the water management field has a tendency to rely on centralized and highly capital intensive water supply schemes. Such schemes, by their sheer cost, build financial risks concerning cost recovery into water supply schemes which would normally not be acceptable to a poor rural peasantry or low income urban dwellers. Cost recovery becomes a major issue that could be averted simply by adapting the scale and cost of the schemes to the priorities and risk levels acceptable to local populations.

Find out more about the basic principles that underlie the negotiated approach and how they differ from mainstream IWRM at www.bothends.org or <http://www.gomukh.org/>

Water and Sanitation Sector (WSS) Business Plan (2004)

The Water Sector Board's plan highlights the need to create an enabling policy and institutional environment to fill basic access gaps in the sector. The WSS plan calls for better utilisation of existing resources when it comes to creating and disseminating knowledge about what works in local circumstances, and adopting policies that provide incentives to invest, operate efficiently, and ensure that services reach the poor. Similarly, it calls for building and strengthening local institutions to improve service quality and increased access; and secure the necessary financing to rebuild infrastructure and expand service coverage and quality.⁵¹

The WSS plan recommends extending services to poor people in urban areas through targeted interventions, such as the use of small scale providers; increasing access to rural water supply and sanitation; improving service provider performance and accountability mechanisms; and managing water resources more effectively.⁵²

⁵¹ World Bank Program for Water Supply and Sanitation (Jan 2004), Water Supply & Sanitation Sector Board. Publication available on request from the Bank..

⁵² Kessler, T. (2002) Services for All? Analyzing Public Utility Reform in Developing Countries. Citizens Network on Essential Services, Takoma Park. and Wood, Angela (2003). *International Financial Institutions (IFI), Conditionality and Privatisation of Water and Sanitation Systems*. Report for WaterAid

The Private Sector Development Strategy (PSDS) (2002)

The PSDS seeks to improve the investment climate for private sector provision of basic infrastructure services, including WSS through:

- **Private-public partnerships:** service is provided privately, but funded through the public sector, with the aim of achieving service efficiency and affordability
- **More IFC lending:** increase more of the Bank's available lending to the private sector
- **Investment Climate Assessments:** create loans to assess impediments to private sector activities in all sectors, and contribute to the Bank's policy advice and conditionality Country Assistance Strategies
- **Output-Based Aid (OBA):** for the provision of infrastructure

What is Output-Based Aid?

OBA reverses the traditional aid model. For instance, instead of providing funds to build infrastructure, such as a water pipeline, funding is disbursed in instalments throughout the course of an investment project, to achieve an output of more households connected to water supplies. In other words, funds are disbursed following the achievement of contractually agreed outputs (i.e. the increase in the number of houses with running water).

An OBA project delegates the service delivery to the private sector, and payments are made by the government using IDA resources. OBA schemes are intended to provide development institutions with an instrument to support the introduction of private participation in service provision.

Critics contend that OBA and other elements of the PSDS are an 'unprecedented expansion of private sector participation (PSP) in infrastructure and social services in developing countries',⁵³ which ensures that lending to the poorest countries is contingent on governments agreeing to shift more service provision to private companies.

⁵³ International Monetary Fund (2004) *Evaluation of the IMF's Role in Poverty Reduction Strategy Papers and the Poverty Reduction and Growth Facility*. Independent Evaluation Office. Available: <http://www.imf.org/External/NP/ieo/2004/prspgrgf/eng/report.pdf>, p. 3.

Frequently Asked Questions

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Where does the Bank get its funds?

The World Bank raises money from its 187 members in several different ways, including numerous financial products, as well as loans. Most countries will receive lending from either the IBRD or IDA, with a few exceptions characterised as 'blend countries'. World Bank lending happens after the analysis of poverty in a country is assessed and priorities for actions are identified: this process starts with the Country Assistance Strategies. Countries that receive IDA funding – including Heavily Indebted Poor Countries (HIPC) – are required to have a Poverty Reduction Strategy Paper (PRSP).

What are Heavily Indebted Poor Countries (HIPC)?

The Heavily Indebted Poor Countries (HIPC) initiative was set up in 1996 by the World Bank and the IMF to reduce poor countries' debts, by providing debt cancellation of relief through lower interest loans for countries facing unmanageable debt burdens. Becoming part of HIPC is conditional on meeting a range of economic and performance criteria, one of which is the formulation of a Poverty Reduction Strategy Paper (PRSP). Conditions can also include cuts to public spending, (i.e. health and education), and privatisation of basic services, which can have unintended impacts on the poor.

What is a Poverty Reduction Strategy Paper?

A PRSP is a national strategy for poverty reduction intended to be written by recipient country governments in consultation with citizens and civil society. The PRSP begins with a description and analysis of the causes of poverty, and then identifies strategies for overcoming poverty and promoting economic growth, including programs on basic services, agricultural development, local infrastructure, increasing participation, and good governance.

The IMF's Independent Evaluation Office (IEO) reports that PRSP processes are not well embedded within national processes, limiting the country ownership to 'officialdom'. According to the IMF, 'participatory processes were typically not

designed to strengthen existing domestic institutional processes for policy formulation and accountability (e.g. through parliaments).⁵⁴

While PRSPs were intended as part of the framework for access to debt relief, they have evolved as a significant part of the framework for all foreign aid to poor countries. Unless a PRSP is approved by the joint Boards of the World Bank and IMF, no concessional loans⁵⁵ will be granted. Once a PRSP is approved, countries can access Poverty Reduction Support Credits (PRSC) from the World Bank, to help them implement their PRSPs.

What are Poverty Reduction Support Credits?

The Poverty Reduction Support Credit (PRSC) is a quick-disbursing lending instrument to support countries that are eligible for International Development Association (IDA) loans to implement their poverty reduction strategies. The eligibility of the country depends on the Bank's assessment of the country's capacity and commitment to implementing this strategy.⁵⁶

An application for a PRSC starts with a PRSP, from which the Bank and IMF produce a Joint Staff Assessment (JSA) of the adequacy of the PRSP for providing a credible framework within which they can design their assistance.

However, this not insignificant 'gate-keeping' function, some argue, shifts the balance of power away from poor country governments towards Bretton Woods institutions, and constrains the extent to which they can enable meaningful input from civil society in PRSP processes.⁵⁷

The PRSC submission process, however, is nonlinear: PRSPs and CAS can inform each other and sometimes the Joint Staff Assessment of the PRSP is influenced by the priorities contained in a Poverty Reduction Support Credit.

What is a Country Assistance Strategy?

The Country Assistance Strategy is '**the most important World Bank country document**'⁵⁸ prepared by the Bank for borrowers from IDA and IBRD, to serve as the Bank's 'business plan' for a borrowing country. It sets out a program of lending and non-lending activities, where the Bank believes it can have the biggest impact on poverty reduction; and it is 'developed in consultation with country authorities, civil society organisations, development partners, and other stakeholders'⁵⁹. But it is 'not a negotiated document.'⁶⁰

⁵⁴ A loan at a lower than commercial rate of interest.

⁵⁵ http://siteresources.worldbank.org/INTEMPPOWERMENT/Resources/14829_Uganda-web.pdf

⁵⁶ ActionAid USA/ActionAid Uganda (April 2004), p. 41. See also, Fraser, Alastair (2005). *Poverty Reduction Strategy Papers: Now Who Calls The Shots? Review of African Political Economy*. Available: <http://cambridge.academia.edu/AlastairFraser/Papers>

⁵⁷ *Country Assistance Strategies* <http://go.worldbank.org/4M75BI76J0>

⁵⁸ Ibid.

⁵⁹ World Bank <http://go.worldbank.org/Y56JH8LG20>

⁶⁰ Jenkins, Bruce (March 2010), *The World Bank's New Access to Information Policy: Conceptual leap with limits*. IFI Info Brief. Bank Information Center and Global Transparency Initiative. Available: http://www.ifitransparency.org/?AA_SL_Session=e983eeb6bf2f2ebf5988c4c75ffe874a&x=67915pp. 7-8.

Draft Country Assistance Strategies are not disclosed by the Bank, thus limiting the level of informed civil society engagement that can occur during their formation. In contrast, the Asian Development Bank, African Development Bank, and European Development Bank for Reconstruction and Development, all require disclosure of draft country strategies.⁶¹

Review and influence your Country Assistance Strategy

Go to <http://go.worldbank.org/SA0RPL3120> or look at all of your country documents www.worldbank.org/countries

Country Assistance Strategies are also available at local World Bank Public Information Centres. Find out more about how to influence your CAS on page 37

What is Conditionality?⁶²

Essentially, conditionality entails that, in exchange for loans from the Bank, governments must agree to follow actions or policies (conditions) set out by it.

Previously, the Bank actively promoted privatisation, arguing that the private sector is more efficient at delivering services, profits, investment opportunities and growth than the public sector; and that the private sector responds better to the needs of its customers, and will thus be more accountable. Bank conditions have largely consisted of macroeconomic policy reforms (fiscal austerity and tight monetary policy reforms), and structural policy reforms (including, trade and financial liberalisation, privatisation, deregulation, decentralisation, market-oriented reforms).

During the last round of funding replenishment for IDA, CSOs pressed their respective governments to support more resources for IDA *only if* the Bank abandoned 'economic policy conditionality' – in particular, conditions related to privatisation, liberalisation, tariff reform, and user fees. In response to CSOs, the UK and Norway pressured the Bank to act on these concerns.

The Bank noted that it had '...sharply reduced conditionality and introduced much greater flexibility in its policy-based lending since the late 1990s. Conditions have declined to about 9-10 per operation, and the focus of conditionality content has shifted from economic management, trade, and privatisation to longer-term institutional reforms and public sector governance.'

In 2009, the Bank's internal Development Policy Lending Retrospective confirmed that, 'overall robustness of development policy lending as a flexible and effective instrument to provide financing and policy advice supports a country's medium-term development goals'. It also found that development policy operations, 'generally continue to be prepared according to Bank operational policy requirements and in line with the good practice principles on conditionality.'⁶³

⁶¹ Wood, Angela (2003). *International Financial Institutions (IFI), Conditionality and Privatisation of Water and Sanitation Systems*. Report for WaterAid

⁶² 2009 Development Policy Lending Retrospective <http://go.worldbank.org/0QMSM8S6P0>

⁶³ Bretton Woods Project (10 July 2009), *Reviews fail to erase doubts over World Bank conditionality*. Available: <http://www.brettonwoodsproject.org/art-564870>

Critics say that these internal reviews are controversial in part because they fail to 'assess the content of the conditionality in terms of ownership, effectiveness and appropriateness.'⁶⁴

Timing and types of conditionality

Prior Actions: these are implemented before a government receives any funds and stipulate actions or reforms that governments must undertake before receiving a loan.

Trigger Conditions: conditions are monitored during a program and must be implemented before a new portion of money can be approved and released.⁶⁰ If conditions are not implemented, a government loses access to its agreed loans.

Performance indicators/structural benchmarks: are 'quasi' or 'unofficial' conditions the Bank uses to determine whether a program is on track. Failure to comply, however, does not necessarily lead to a cessation of funding.

Specific developing country conditionalities⁶⁵

1. Trade liberalisation
2. Foreign investment liberalisation
3. Privatisation of companies/utilities
4. Deregulation
5. Tight fiscal and monetary policies
6. Export-led growth model
7. Primary goods production

Successfully-developed country policy

1. Trade protection
2. Foreign investment regulation
3. Public companies/utilities
4. Regulation
5. Keynesian fiscal and monetary policies
6. Domestic investment and export-led
7. Processing and industrial diversification

Why do countries accept conditionality?

Put simply, they do not have a choice. Countries that rely on IDA funding – the poorest with the worst credit ratings – have few options for accessing credit. Choices are further limited by the odious debts many poor countries owe to the World Bank, IMF, private banks, northern governments and 'vulture funds.'⁶⁶

⁶⁴ The IMF refers to 'trigger actions' as 'performance' criteria.

⁶⁵ Rowden and Irama (April 2004): A good primer on conditionality and the limits of PRSP processes. *Rethinking Participation. Questions for Civil Society about the Limits of Participation in PRSPs. Discussion Paper*. Washington DC Available: http://siteresources.worldbank.org/CSO/Resources/AA_Rethinking_Participation_by_Action_Aid.pdf

⁶⁶ Vulture funds profit by buying up the debts of heavily indebted poor countries, at low prices, and then work to recover the full amount, often by suing through the courts. At least 54 companies, many based in tax havens, are known to have taken legal action against 12 of the world's poorest countries in recent years for claims amounting to \$1.5 billion. To learn more visit: www.jubileedebtcampaign.org.uk

Most significantly, the World Bank and the IMF act as gatekeepers of global finance. Without the 'seal of approval' of the Bretton Woods institutions, other funding will not be 'unlocked' from bilateral and multilateral donors. World Bank and IMF approval is thus critical for accessing funding from any source.

What is the Country Policy and Institutional Assessment (CPIA)?

The CPIA is essentially a World Bank and IMF 'report card' that assesses the annual performance of low-income borrowing countries. This performance is not assessed in relation to successful poverty reduction, or even high economic growth, but instead its scores reflect the extent to which a government has embraced neo-liberal policy and institutional reforms (i.e. liberalisation, privatisation, fiscal austerity, etc.).

CPIA report cards are not made available to the public, or even to the borrowing country being graded⁶⁷. Instead, they are published only for clusters of countries at a time, not for individual nations. Despite this lack of transparency, the CPIA is fundamental in determining the level of Bank lending, and setting subsequent loan conditions.

What are World Bank Safeguard Policies?

Environmental and social safeguard policies are a set of 10 environmental and social policies designed to protect the environment and vulnerable populations from the negative effects of Bank-financed operations. Their objective is to, 'prevent and mitigate undue harm to people and their environment in the development process'. The policies provide guidelines for bank and borrower staff in the identification, preparation, and implementation of programs and projects. Originally, safeguard policies were drafted as internal operational policies for staff; but following pressure from environmental and social groups in the 1980s, World Bank safeguard policies evolved and were implemented in 1998.⁶⁸

The Bank credits any improvements in the effectiveness and impact of its investment to these policies, and notes that safeguard policies have often provided a platform for the participation of stakeholders in project design. Safeguard policies are used by the Bank as part of the process of building ownership among local populations for Bank work.⁶⁹

The Bank's new access to information policy requires the disclosure of crucial safeguard documents on environmental assessments, involuntary resettlements and indigenous peoples. There are, however, no clear or specific requirements regarding timing, form, language or accessibility issues related to the release of safeguard documents.⁷⁰

In 2009, in part in response to the global economic crisis and the promotion of wider use of budgetary support operations, the Bank increased its use of quick-dispersing

⁶⁷ World Bank country directors may choose to share CPIA scores with country officials, but this is not a requirement.

⁶⁸ *Bretton Woods Project* (22 September 2009).

⁶⁹ <http://go.worldbank.org/WTAlODE7T0>

⁷⁰ Jenkins, Bruce (March 2010), *The World Bank's New Access to Information Policy: Conceptual leap with limits. IFI Info Brief. Bank Information Center and Global Transparency Initiative*. Available: http://www.ifitransparency.org/?AA_SL_Session=e983eeb6bf2f2ebf5988c4c75ffe874a&x=67915, p17. Provides complete list of required safeguard disclosures.

development policy loans (DPLs) to support borrower policy reforms. In 2009, DPLs comprised over 40% of Bank lending.

Alas, DPLs are not subject to the Bank's safeguard policies. Their mandatory early disclosure requirements regarding social and environmental risks, and details of DPLs, are often not known by the public until after they have been approved. The new Bank information access policy does provide for simultaneous disclosure of these documents upon submission to the Board (but only if the borrowing country consents). However, this is too late for careful review, understanding, and engagement by CSOs and other external stakeholders.⁷¹

What is the World Bank Inspection Panel?

When the World Bank or a borrower is alleged to be violating any safeguard policies, a request for inspection can be made to the World Bank Inspection Panel. The Panel was established in 1993 and has jurisdiction over IBRD and IDA operations. It provides a forum for people who believe that they may be adversely affected by Bank-financed operations, allowing their concerns to be voiced to the highest decision-making levels of the World Bank.

The Panel receives and investigates 'claims' also called 'requests for inspection', and determines whether the Bank is complying with its own policies and procedures, which are meant to ensure that Bank-financed operations provide social and environmental benefits, and avoid harm to people and the environment.

The Panel's work is designed to ensure that the World Bank adheres to standards of accountability that are as high as the ones it demands from its clients and partners. It also seeks to improve the development effectiveness of Bank investments, and its mission of poverty alleviation.

The Panel consists of three members. All are selected for possessing a number of qualities: an ability to deal thoroughly and fairly with requests for inspection; integrity and independence from Bank Management; and exposure to development issues and living conditions in developing countries.

The Panel is appointed by the Bank Board to serve for non-renewable periods of five years. In addition to the three Panel members, an Executive Secretariat assists and supports all Panel activities, and is provided with separate resources to discharge its functions.⁷²

The Bank Information Centre (see page 38) is an excellent source of information on the World Bank Inspection Panel, as well as information about the World Bank's Safeguard Policies.⁷³

⁷¹ Ibid. p.18.

⁷² www.inspectionpanel.org

⁷³ <http://www.bicusa.org/en/Article.292.aspx>

How do I make a 'Request of Inspection?'

You can send an email to ipanel@worldbank.org for a brochure explaining the process and providing a format for your request.

A 'Citizens Guide to the Inspection Panel' and a 'Strategic Guide the Inspection Panel' are available at www.accountabilityproject.org

You can also request a free copy of the Bank publication, *Accountability at the World Bank: The Inspection Panel 15 Years On* by calling the Inspection Panel on +1 (202) 473 1779 or emailing ipanel@worldbank.org.

What is the World Bank's Project Cycle?

World Bank development assistance follows a Project Cycle which consists of six stages. The World Bank and the borrowing country are supposed to work together throughout the project cycle although they have different roles and responsibilities. On the following page, please find a step-by-step guide to the project cycle and links to the information you can access at each stage of the process.

Do note that 'Projects' may be dropped at any point in the project cycle from preparation to approval.

Stages of the World Bank project cycle

Stage	Description	Duration	Who is primarily responsible?	Publicly available World Bank documents and sources of information at each stage
1. Pre-Pipeline	Before initiating any lending, there are a number of processes which are designed to develop the analysis of poverty in a country and identify priorities for action. These include the Economic and Sector Work (ESW page 17), a Poverty Reduction Strategy Paper (PRSP page 21 and the Country Assistance Strategy (CAS page 23).	Varies	Borrowing country government (PRSP). World Bank (CAS, ESW, Sector Strategies).	See the sections on CAS, ESW and Sector Strategies in this handbook.
2. Identification	Based on the PRSP and the CAS, the government and the World Bank jointly identify projects that will support their development goals. Once a project has been identified, the World Bank team creates a Project Concept Note (PCN) which is an internal document that outlines the basic elements of the project, its proposed objective, likely risks, alternative scenarios to conducting the project, and a likely timetable for the project approval process. After this a Project Information Document is available publicly through the Bank's infoShop. A project is managed through the relevant government ministry, e.g. a project in the health sector will be managed through the Ministry of Health. The ministry conducts a feasibility study of the project with the assistance of Bank staff, and then they conduct an "identification mission" to detail key principles and conditions of the project.	Varies	Staff from borrowing government identified within a "project implementing agency", e.g. a government ministry. World Bank staff – Task Manager or Team Lead.	<i>The Project Information Document (PID)</i> is produced by World Bank staff after an internal review of the Project Concept Note (see left). It is released publicly through the Bank's InfoShop. It outlines the basic elements of the project, including objectives, likely risks, and a likely timetable for the approval process. It also contains the name of the World Bank Task Manager <i>The Integrated Safeguards Data Sheet (ISDS)</i> is prepared for the first time after the project's first formal review and made available publicly on the web. It identifies key issues under the World Bank's safeguard policies for environmental and social issues, and provides information about how they will be addressed during project preparation. The World Bank's Monthly Operational Summary (MOS)

				(http://www.worldbank.org/html/opr/procure/MOS/contents.html) reports on the status of projects in the World Bank's lending "pipeline", from the identification of the project to the signing of the loan or credit agreement. After loans or credits are signed, entries are dropped from the MOS. The Projects Database (go to Projects & Programs at: http://www.worldbank.org) is a World Bank database of all past and ongoing projects undertaken by the Bank. It includes basic information (such as the amount loaned, the borrower, and the status of the project) plus links to more detailed project documents.
3. Preparation	The borrowing country is responsible for project preparation. Technical, institutional, economic, environmental and financial issues are studied and addressed, including a mandatory Environmental Assessment (EA). At the same time, the Bank offers analysis and advice where requested and starts to determine the conditions required for the project to succeed.	Up to 3 years	Borrowing government.	An <i>Environmental Assessment Report</i> (EA) analyses the likely environmental impact of a planned project and outlines steps to mitigate possible harm. An <i>Indigenous Peoples Development Plan</i> identifies potentially adverse effects of a project on the health, productive resources, economies, and cultures of indigenous peoples.
4. Appraisal	World Bank staff conduct an appraisal of all the studies conducted in the previous stages, including an "appraisal mission", when they spend 3-4 weeks in the country. The result of this review is described in the Project Appraisal Document (PAD) (for investment projects) which provides a detailed description of the project and its	3-6 months	World Bank staff.	An updated Project Information Document (PID, see Stage 2). Project Appraisal Document (PAD) publicly available only after Board approval of project.

	implementation. The Project Information Document (PID) is updated during this phase. However, <i>the PAD is not released to the public until after the project has been approved.</i>			
5. Negotiation and Approval	The World Bank and the borrowing country negotiate and agree on the terms of the loan supporting the project. The PAD and other loan/credit documents are sent to the Board of Executive Directors (see Part One of this Primer) for approval. They may also be submitted for clearance by the borrowing government, which may involve ratification by a council of ministers or a country's legislature. <i>Once this has happened, the loan is declared effective or ready for disbursement, after the relevant conditions are met, and the agreement documents are made available to the public.</i>	1-2 months	Borrowing government and World Bank negotiate.	The <i>Project Appraisal Document</i> (PAD) presents all the information the Board needs to approve Bank financing of the proposal. The <i>Program Document</i> (PGD) describes adjustment lending operations, and sets out the Bank's appraisal and assessment of the feasibility and justification for the program. The <i>Technical Annex</i> supplements a Memorandum and Recommendation of the President for freestanding technical assistance loans, which do not require Project Appraisal Documents.
6. Implementation and Supervision	The borrowing country, not the World Bank, is responsible for implementing the project. The Bank is responsible for supervision and technical assistance. It ensures that the terms of the loan agreement are followed and that procurement is conducted according to the World Bank's guidelines.	1-10 years	Borrowing government.	<i>Report on the Status of Projects in Execution</i> provides a very brief summary of all projects that were active during the previous fiscal year. <i>Implementation Completion Reports</i> review the results and assess an operation on completion of each loan financed by the Bank. Operational staff prepare these self-evaluations for every completed project.

7. Evaluation	Following the completion of a project, the Bank's Independent Operations Evaluation Department conducts an audit to measure its outcome against the original objectives, entailing a review of the project completion report and preparation of a separate report. Both reports are then submitted to the Executive Directors of the World Bank and the borrowing country government. <i>They are not released to the public.</i>	Not available	World Bank Operations Evaluation Department.	<i>Project Performance Assessment Reports</i> rate project outcomes (taking into account relevance, efficacy – producing the intended results, and efficiency), sustainability of results, and the institutional development impact. One in four completed projects (or about 70 a year) is chosen for a Project Performance Assessment Report, which takes the World Bank's Operations and Evaluation Department staff about six weeks to produce and normally includes a visit to the project in the borrowing country. <i>Impact Evaluation Reports</i> assess the economic worth of projects and the long-term effects on people and the environment. These assessments of projects are performed by the World Bank five to eight years after the close of loan disbursements.
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Information Source: Adapted from information on the World Bank website: <http://www.worldbank.org>

How to...

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Access Bank information

Civil society has long pressed for more access to Bank information. The Bank's new Access to Information Policy (effective 1 July 2010) is an improvement and recognises the centrality of transparency and accountability to the development process.⁷⁴ Instead of a document-centred approach (listing which documents can and cannot be released), the new policy assumes that anything not on a list of exceptions can be disclosed.

Access to Information Policy <http://go.worldbank.org/TRCDVYJ440>

'This paradigm shift underscores the Bank's commitment to transparency and accountability and recognises their fundamental importance to development and to achieving the Bank's mission of overcoming poverty and improving development effectiveness,' World Bank Group president Robert B. Zoellick.

'The Bank's new access to information policy places the Bank at the leading edge of transparency among international financial institutions,' Jenkins, Bruce (March 2010), p. 19

There remains, however, 'absolute protection of internal information through a deliberative process'. This is a broadly defined exception that could result in draft plans and policies (i.e. Country Assistance Strategies or Bank project documents) being withheld, thus undermining civil society participation in decision-making or monitoring. Governments and third parties (i.e. private contractors) also have the power to block the release of information they provide to the Bank, through their Executive Directors⁷⁵.

⁷⁴ Jenkins, Bruce (March 2010), *The World Bank's New Access to Information Policy: Conceptual leap with limits*. IFI Info Brief. Bank Information Center and Global Transparency Initiative. Available: http://www.ifitransparency.org/?AA_SL_Session=e983eeb6bf2f2ebf5988c4c75ffe874a&x=67915p.1.

⁷⁵ Ekdawi, Amy (February 2010), *The World Bank's New Disclosure of Information Policy: How Can Civil Society Ensure Its Proper Implementation?* International Budget Partnership e-Newsletter No. 52. Available: HYPERLINK "<http://www.internationalbudget.org/resources/newsletter52.htm>" \l "WB" <http://www.internationalbudget.org/resources/newsletter52.htm#WBpp.14-15>.

The Bank and Social Media

With the Bank's Access to Information policy comes new language around sharing information, breaking down barriers and being more accountable and transparent and new mechanisms for engagement and feedback such as social media tools and a forthcoming GPS tracking tool.

Through Blogs, Facebook, and Twitter, the World Bank is leveraging social media around the world as part of an overall effort to make the Bank more accountable, open, and nimble. www.worldbank.org is visited 2.5 million times a month with content in nearly 60 languages.

Through these online platforms, the Bank tell us they welcome constructive criticism and feedback on their projects. They have set up Facebook page, Twitter feeds, blogs and live discussion spaces. This could potentially revolutionise the way we engage with the Bank.

TRY IT OUT... write or comment on a blog, follow the Bank on Twitter or Facebook

<http://blogs.worldbank.org/>

<http://blogs.worldbank.org/publicsphere/>

<http://twitter.com/WorldBank/wbtweets>

<http://www.facebook.com/worldbank>

Mapping for Results Platform

This GPS tool is in the development stages. It aims to act as an analytical tool to analyze and visualize the geographic location of Bank-funded projects - <http://maps.worldbank.org/>

Where to find information that the Bank provides

World Bank Public Information Centre (PIC): Based in countries since 2003, PICs are designed to enhance the dissemination of all types of information, and promote dialogue and feedback.

World Bank Public Information Centres

World Bank information (documents, videos, data, projects or research) are available in person at more than 100 locations around the world. PICs also provide access to computers and the Internet, and host events, discussions, and dialogues.

To find a location near you, go to: <http://go.worldbank.org/OMDMX5LDF0>. If there is no centre or contact information in your country, email: pic@worldbank.org.

If you do not have Internet access, contact your local FAN chapter and we can help you find the information you need.

World Bank Water pages: The 'blue pages' contain contact information on water supply and sanitation, hydropower, irrigation and drainage, water resources management, regional and country pages, and information about inactive projects. See: www.worldbank.org/watsan/bluepages.htm

Bank Projects Database: All past and ongoing projects are in this database. To find it, click on the 'projects and operations' tab at the top of the World Bank website. It provides basic project details (such as the amount loaned, the borrower, and the status of the project), with links to more detailed project documents.

Water Help Desk: If you didn't find what you were looking for above or have questions about what you did find, then email the Water Help Desk at: Whelpdesk@worldbank.org or call: +1 202 458 8536.

World Bank Water Week: In the past, this annual event has been an important forum where water professionals can come together to learn and discuss developments in the sector.

Bank Civil Society focal points: Building a relationship with these focal points in your country or region is a great way to get information, and invitations to dialogues or consultations.

In India, **The Solutions Exchange**, hosted by the UN, is an online initiative that offers development practitioners a forum to benefit from each other's knowledge and experience. It is led by a resource group that includes multilateral agencies, the Indian government, and academic institutions. Through local communities, members will have timely access to the advice shared by their peers.

Learn more about the water and environment solutions exchange group at: <http://www.solutionexchange-un.net.in/wes.htm>

Influence sector projects

The most effective input is given early in the project cycle, as this is the phase at which a Poverty and Social Impact Analysis (PSIA) can be requested, and alternative projects and methods be discussed. However, discussions between country governments and the Bank about potential projects (pre-pipeline and identification phases of the project cycle) can begin years before any project documentation is shared, making engagement at this phase difficult, if not impossible.

A World Bank–CSO dialogue on urban water and sanitation in 2004 highlighted that a lack of information about these deliberative processes, and thus the inability to participate early during this phase, is a major obstacle to meaningful engagement.

FAN Central America identifies some examples of obstacles to productive engagement⁷⁶

- Due to low levels of influencing and negotiating experience, CSOs start in a disadvantaged position
- Critical past positions on Bank and government policy can limit access to decision-making opportunities or processes
- Bank distribution of information may well depend on online sources, but some stakeholders may not have access
- The complex or Eurocentric language used in documents can be a barrier for minority populations
- Bank projects require government approval (some national laws require parliamentary approvals), and this can impact timing and other aspects of engagement
- Bank projects are difficult for CSOs to track when it comes to funds, relative to objectives and plans (e.g. Tsunami funds in India were used for slum relocation)
- Evaluation criteria are inadequate and do not assess communities' satisfaction of with projects, or whether communities were involved in decision making
- There is a lack of government commitment to involve civil society and communities, or conduct consultations

⁷⁶ Experience from FANCA (2010), pp. 20-21. Available on request.

Build a relationship with local Bank staff

Until there are better institutionalised mechanisms for engaging in the pre-pipeline and identification phases of the projects cycle, building relationships with relevant ministries and government officials, as well as Bank officials, is important for having access to early information. Similarly, making inquiries about current and future projects, and offering examples of good practice, which could be scaled up with Bank funding, is dependent on effective 'relationship marketing'.

Once a project is underway, developing a relationship with Bank Task Team Leaders (TTLs), and offering your organisation or network as a resource, is important. TTLs have responsibility for handling the project from inception to completion, including monitoring, procurement and consultant selection. By engaging with TTLs you might be able to share and learn from experience of good practice, and influence not only specific projects, but also practice and policy more widely. TTLs also have opportunities to influence the Executive Directors and others through their field reports, so supporting and influencing their work can have wider impact.

You should also get to know:

- **Civil Society Country Staff** in 70 World Bank offices around the world often engage in social auditing, stakeholder analysis and other relevant activities. You can find their contact details at: <http://go.worldbank.org/OF9ITL2VJ0>.
- **Country Management Unit Staff** can provide information on World Bank activities and opportunities. In India and Bangladesh, for example, nearly all relevant staff are based in-country.

Quick tips for reaching out to your local Bank staff⁷⁷

- Meet with experienced organisations to learn about the process and share lessons. Do not invent new processes where there may already be experience and knowledge.
- Attend sector coordination meetings. This is a good place to meet TTLs. Actors whose work is known and respected in the sector will often be invited to these meetings, and networking with these partners is a great way to engage.
- Be transparent, and show professionalism and consistency. This will make institutions trust you and seek you out, even when you may have voiced opposition to their policies or practice in the past.
- Take part in policy events, such as civil society events attended by World Bank specialists. Develop your skills to enter these dialogues and present your work and point of view.
- Use existing resources: Building Partnerships for Development in the Water and Sanitation Sector (BPD)⁷⁸ has tools and advice for creating productive conversations on the scope, purpose, structure and resource requirements of partnerships in the sector. <http://www.bpdws.org>
- Identify the Bank staff in your country or area (i.e. project, WSP, regional policy). If possible, find out who they are already working with, and try to form partnerships with these groups or individuals, perhaps by offering your organisation or network as an expert resource. Bank staff can be busy people, and under a lot of different types of pressure, so it is worth thinking about, and communicating clearly, how you can be an asset to their work.

Top Tip: If you are not already networked, do it now! Make yourself and your affiliations known to relevant sector agencies or bodies, for example, through the Central American Commission for Environment and Development (CCAD). Among other things, networks can enable:

- TTLs and other Bank officials to engage with many sector actors simultaneously
- Bank officials (and government ministries) to draw quicker and easier on sector expertise
- Support and experience for consultative processes
- Information sharing and strategy among sector actors with different information about projects, policy, and process, and with different connections to power
- Skill building for effective engagement in areas such as negotiation and evidence-based influencing

⁷⁷ Experience from FANCA (2010), p. 22-23 and FANSA (2010), pp. 5-6.

⁷⁸ www.bpd-waterandsanitation.org

Influence country policy and Bank Economic and Sector Work

One of the most significant ways in which the World Bank influences country level policy in all sectors is through Economic and Sector Work (ESW) studies that examine economic policy, structures and institutions. These studies are instrumental in developing Country Assistance Strategies, and PRSPs, and informing the policy advice the Bank gives to a country. Since the introduction of the PRSP process, the Bank has increased its output of ESW.

In the past, ESW studies were often produced with minimal input from civil society. Instead of presenting the range of policy options to facilitate debate, options in the ESW were 'pre-chosen' by the Bank and supported by the studies. National-level decision-making and consultations subsequently determined timing and sequencing of suggested reforms.⁷⁹ ESW studies were also not often available in relevant languages, and so key decisions became known only after a program was agreed.⁸⁰

More recently, CSOs have been included in consultation, and in carrying out work as part of the ESW. However, the entry points for learning about, participating or feeding back on ESW work are unclear. How the new access to information policy governs ESW, and whether drafting some documents are considered to be deliberative (and thus confidential), is also not clear.

Some argue that restricting debate through ESW is even more detrimental than specific conditionalities, or it can make them unnecessary in terms of compelling governments to act or create reforms. Through ESW, the Bank can exert influence over policy development, regulation and other aspects by limiting the range of options.

For example, the Bank's proposed Water Resources Sector Strategy noted that there was a 'global consensus on what constitutes ... the central features of a sound water supply and sanitation sector... separating the roles of providers (increasingly private) and regulation and policy formulation and assessment (a public role), and of competition amongst providers'.⁸¹ But asserting such a consensus does not bring it into existence. However, it can shape potential debate in-country, particularly where Bank financing is concerned.

⁷⁹ Wood, Angela (2003) *International Financial Institutions (IFI), Conditionality and Privatisation of Water and Sanitation Systems*. Report for WaterAid

⁸⁰ Ibid

⁸¹ Alexander, N.C. (2002) *A Critique of the World Bank Water Resources Strategy*. HYPERLINK "<http://www.challengeglobalization.org>" \t "_blank" Citizens' Network on Essential Services. Available: <http://www.globalpolicy.org/component/content/article/209/43340.html>

Find out about ESW in your country.

Questions to ask Bank staff:⁸²

- What research has the Bank commissioned or plan to commission?
- Who will carry out these studies?
- What research methods will be used?
- What is the timetable for planning, conducting and publishing the research?
- Will the process of designing, executing and concluding these studies be open to interested civil society groups?
- How do these research exercises fit with the overall Poverty Reduction Strategy Paper process, and the process of negotiating conditions for Poverty Reduction Support Credits and Poverty Reduction Growth Facility (PRGF)⁸³ loans?
- Are any parliamentary or other committees involved in guiding this work?
- At what stage are the PRGF and PRSC?
- **When do you plan to redraft your Country Assistance Strategy?**
- What are your plans for civil society involvement in negotiating the Country Assistance Strategy, the PRSC and PRGF?
- Do you have plans to carry out Poverty and Social Impact Analysis on any of the reforms you are promoting?

For World Bank (and IMF) staff to make their answers easy to understand and accessible to all, request that they produce a matrix of who is responsible for which studies, and request that this be made available in your national languages.

Influence Bank strategy

To influence Bank strategy you will need an understanding of existing strategy or plans, and have done some analysis of the relevant links in the local, national or regional context. Better understanding of broad strategies and plans can also:

- Help explain the Bank's thinking or broad direction in a way that may shed light on the nature of implementation, and the choices of projects or funding
- Serve as a 'baseline' or starting point for evaluating whether the Bank is doing locally what it has set out to do more widely
- Make your engagement with local staff more meaningful by enabling a better understanding of their directives, and the ways in which they are being held accountable
- Bring credibility to your organisation or network as an informed resource that can, 'speak the Bank's language' and understand the demands of Bank staff in-country

⁸² *Bretton Woods Project & World Vision (2002), New report queries World Bank influence over PRSP analysis.* HYPERLINK "<http://www.brettonwoodsproject.org/article.shtml?cmd%5B126%5D=x-126-16052>"www.brettonwoodsproject.org/article.shtml?cmd%5B126%5D=x-126-16052 p.33. All terms below explained in section 6.

⁸³ IMF loans

You may not be able to 'officially' change strategy until it is redrafted; but you may be able to influence how strategies are implemented.⁸⁴ Start with the broad overviews of the relevant strategies in this document, index and continue your research by using the resources of those who are 'Bank watching' and may already have done extensive analysis of Bank strategies.

'Watch' the Bank

Several organisations or initiatives follow and analyse the World Bank's policies, activities and projects. Getting familiar with the perspectives and resources of some of these organisations can offer you 'short-cuts' to watching and understanding the Bank.

ActionAid (www.actionaid.org, www.actionaidusa.org, www.actionaid.org.uk): an international anti-poverty agency whose aim is to fight poverty worldwide. ActionAid works with coalitions of poor and excluded people from around the world, bringing their perspectives to bear on policies that affect developing countries by challenging governments and institutions.

African Forum and Network on Debt and Development (AFRODAD) (www.afrodad.org): an African organisation advocating innovative financial mechanisms for development and transparent public resource management.

Bank Information Centre (BIC) (www.bicusa.org): an independent NGO that partners with civil society in developing and transition countries to influence international financial institutions (IFIs). The BIC website has a range of useful resources and tools for activists (in English, Hindi, Bahasa Indonesian, Russian and Chinese), including a guide to protecting your rights, and how to act when rights are violated.

Both ENDS (www.bothends.org): Both ENDS supports Southern civil society organisations and networks that are fighting against non-sustainable solutions to come up with alternative approaches to sustainable water management. They influence the policies of major institutions, such as the World Bank and the IMF, to lobby the Dutch government and the European union on behalf of partners so that sustainability gets the attention it needs on political agendas.

Bretton Woods Project (www.brettonwoodsproject.org): an independent initiative that works with a network of more than 7000 non-governmental organisations, policy-makers, journalists, researchers and parliamentarians worldwide to press for increased transparency and civil society participation in World Bank and IMF policies and interventions. It is a key information-provider, media informant and watchdog which scrutinizes and influences IFIs through briefings, reports and a bi-monthly digest, Bretton Woods Update.

⁸⁰ Mary O'Connell and Belinda Calaguas (2005), *World Bank Primer: An overview document of the structure of the World Bank Group and those elements of it relating to the domestic water sector*. For WaterAid staff and Partner organizations. WaterAid Public Policy and Education Department.pp. 17-20.

Citizens Network on Essential Services (CNES) (www.servicesforall.org): works to democratise national and global governance by supporting citizens' groups that are engaged in influencing policy decisions about basic services such as water, power, education, and healthcare. CNES has a virtual library on water issues and a list server.

CIVICUS (www.civicus.org): an international alliance dedicated to strengthening citizen action and civil society.

European Network on Debt and Development (EURODAD) (www.eurodad.org): a network of 57 development NGOs in 18 European countries focused on debt cancellation, aid effectiveness, IFI conditionality, capital flight and financial regulation. It pressures European and international policy-makers to meet their obligations while simultaneously strengthening the capacity of civil society to influence policies in their countries. EURODAD disseminates information about the World Bank and provides a regular email list server for Poverty Reduction Strategy Papers and Debt Cancellation updates.

Food and Water Watch (www.foodandwaterwatch.org): an NGO working with grassroots organisations around the world to advocate for policies on safe water and wholesome food that is produced in a humane and sustainable manner. It also advocates public rather than private control of water resources, including oceans, rivers, and groundwater. The Food and Water Watch website has materials available in Spanish and Portuguese (as well as English), and several ways to take immediate action on food and water policy, as well as a blog for interactive learning and sharing.

IFIwatchnet (www.ifiwatchnet.org): connects more than 60 organisations from 35 countries that monitor IFIs. IFIwatchnet itself does not monitor or campaign, but it does support such work by pooling and sharing information, and improving communication between IFI Watchers.

International Trade Union Confederation (ITUC) (<http://www.ituc-csi.org/>): an international trade union organisation, representing the interests of working people worldwide. It has 312 affiliated member organisations in 156 countries and territories, with a combined membership of 176 million workers. IUTC engages with the Bank on issues of workers' rights and social protection.

Jubilee South (www.jubileesouth.org): A network of jubilee and debt campaigns, social movements, people's organizations, communities, NGOs and political formations lobbying on the debt issues. It has members from over 40 countries from the regions of Latin America and the Caribbean, Africa and Asia/Pacific, composed of 85 groups

Oxfam (www.oxfam.org): an international confederation of 14 organisations working together in 99 countries with partners and allies around the world. Oxfam's mission is to find lasting solutions to poverty and injustice by working directly with communities, and using influencing to ensure that poor people can improve their lives and livelihoods, and have a say in decisions that affect them.

The Water Site at Ning.com – Create your own social network with Ning.com and/or connect with other water professionals at the Water Site: www.watersite.ning.com

Waterwiki: This is an online platform connecting water professionals interested in online collaboration. It has a dedicated World Bank page, and is open for you can join, ask questions, share case studies and learn from other water professionals. Visit: http://waterwiki.net/index.php/World_Bank

Climate change and water

During FAN's strategic review, members repeatedly identified climate change as a key factor in scarcity of water resources, often aggravating issues of water management. Climate change and water was thus identified as a priority theme in the FAN Strategy.

Many FAN members are working with communities on innovative water resource management projects. Some are attempting to influence policies and enter in to dialogue with their governments at country level, others are involved in community interventions and some are involved in research. However, coordination is lacking, resources are difficult to access and policies are unclear. We are seeking ways to link our members' work to other national, regional and international processes.

Understanding the complex policies and debates, in particular how and when there are opportunities for meaningful engagement and influence, can be challenging. Moreover, gaining an increased understanding of how to access crucial funding for relevant adaptation, and how to share learning and collaborate with other relevant stakeholders, can be complex and opaque processes.

FAN has begun to work to ensure that top down consideration of climate change be met with a bottom up approach, to better inform policy and practice. Towards this end, FAN is member of the Water and Climate Coalition,⁸⁵ which seeks to place water resource management at the heart of policy responses to climate change. A small delegation of FAN members attended the United Nations Framework Convention on Climate Change (UNFCCC) and the sixteenth Conference of the Parties (COP 16) in Cancun, Mexico in December 2010. You can find out more on our website.

Engaging at the international level – on the high-level negotiations – is only one aspect. National level engagement (mainstreaming/adaptation planning) is critical. As the Bank is an important implementer, holder of finance and influential long-term country government partner, it is important to engage the Bank in this area at the country level. Working to better understand and access information about the accountability and transparency of funding and projects – especially as more funding becomes available for climate change adaptation or related interventions will be an important and potentially powerful way to effect change and ensure sustainable appropriate interventions.

Although climate change impacts carry with them a high level of uncertainty, climate change certainly 'challenges the underlying principles of water management, which include decision-making based on historical trends and notions of predictable variability in precipitation and river flows.'⁸⁶ This unpredictability of water will have the greatest impact on those whose access and rights to an adequate standard of living, and water and sanitation, are already unfulfilled or at risk.

⁸⁵ www.waterclimatecoalition.org

⁸⁶ Nicol, Alan and Nanki Kaur (March 2009), Adapting to climate change in the water sector.

Climate Investment Funds (CIF)

(CIFs) are financing instruments designed to pilot low-carbon and climate resilient development through multi-donor trust funds (MDBs). The principles and policies governing these funds are decided by donors and recipients⁸³ with the Bank fulfilling a secretariat and fund disbursement function. There are two funds within the CIFs: the Clean Technology Fund (CTF); and the Strategic Climate Fund (SCF). Within the SCF there are three programs for piloting new approaches to climate change: the Pilot Program for Climate Resilience (PPCR); the Forest Investment Program (FIP); and the Program for Scaling-Up Renewable Energy in Low Income Countries (SREP).

As of March 2010, donors⁸⁸ had pledged \$6.2 billion to the CIFs – \$4.9 billion of which is earmarked for the Clean Technology Fund.

The discussion paper, *Looking Ahead for Lessons in the Climate Change Investment Funds*,⁸⁹ was commissioned in March 2010 by the CIFs Administrative Unit. The paper highlighted the pressures that CIFs are under to be quick, simple and flexible, as well as produce innovative quality long-term impacts.

CIF Opportunities

A core ambition of the CIF is to achieve 'transformational impact'. But there is no definition of what this looks like in terms of the different programs, contexts and desired outcomes; and there are no meaningful criteria for moving towards these results. Currently, the CIFs are 'learning by doing' as countries develop and implement CIF strategies,⁹⁰ so it 'aim[s] to develop as a global learning network, building and sharing knowledge across regional, national and community boundaries and creating, where needed, integrated solutions.'

CIF could eventually serve as a valuable source of learning and as a useful point of entry for those who are already using 'transformational' approaches.⁹¹

⁸⁷ Full details on CIF website http://www.climateinvestmentfunds.org/cif/CTF_Governance and <http://www.climateinvestmentfunds.org/cif/node/3>

⁸⁸ Australia, Canada, Denmark, France, Germany, Japan, the Netherlands, Norway, Spain, Sweden, the United States and the United Kingdom.

⁸⁹ Radner, James (4 March 2010). *Looking Ahead for Lessons in the Climate Change Investment Funds: A report on emerging themes for learning*. (Executive Summary) Consultative Discussion Paper. School of Public Policy and Governance. University of Toronto. Available: <http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/images/LessonsLearntReportExecutiveSummary3-8-2010.pdf>

⁹⁰ Ibid, p. 4.

⁹¹ <http://www.climateinvestmentfunds.org/cif/node/7>

The Carbon Finance Unit (CFU)

The CFU uses contributions from governments and companies to buy project-based, greenhouse gas emission reductions in developing and transition countries. The emission reductions are purchased through one of the CFU's carbon funds on behalf of the contributor, and within the framework of the Kyoto Protocol's Clean Development Mechanism (CDM) or Joint Implementation (JI).

The CFU does not lend or grant resources – emission reduction purchases are a commercial transaction. The Bank believes that carbon finance 'provides a means of leveraging new private and public investment into projects that reduce greenhouse gas emissions, thereby mitigating climate change while contributing to sustainable development.'⁹²

Some argue, however, that price premiums offered by some of the buyers in the carbon market, including by the Bank-managed carbon funds, have not been sufficient to improve significantly the internal rate of return for renewable energy projects.⁹³ The Bank's continued investments in emissions-intensive projects such as coal-fired power and oil and gas, also impact the overall value of the carbon offsets.

Some other opportunities for influence:

Joint Missions on the Pilot Program for Climate Resilience (PPCR)

The main aim of the PPCR is to mainstream adaptation into development, so that development is 'climate-proof'. It has two stages of funding: phase one funding is to develop a Strategic Program for Climate Resilience (SPCR) and; phase two then provides much more significant funding to actually deliver the SPCR. But before both of these phases, 'joint missions' are made to recipient countries, which are led by the country's government and involve World Bank as well as relevant regional bank representatives.

To date, these joint missions have not had much in the way of civil society representation; but there are opportunities. Interested parties can express an interest in participation to the World Bank and DFID officials. Reports of current joint missions are on the World Bank CIF website. A second round of missions commenced in 2010.

Currently, regional development banks (ADB, AfDB) are overly influential in this process and more CSO voices are needed.

Climate Investment Fund Oversight

One of the novel things about the CIF governance structure is that it includes NGO observers. There are two over-arching trust fund committees – one for the Clean Technology Fund (CTF), and one for the Strategic Climate Fund (SCF) – as well as three subcommittees for the SCF.

⁹² <http://go.worldbank.org/ALHZMY49B0>

⁹³ Ibid.

Below are links to help you find the direct contact information of these observers; if you are interested in engaging, you can contact them directly:

Clean Technology Trust Fund Committee Observers –
http://www.climateinvestmentfunds.org/cif/CTF_Observers

Strategic Climate Fund (SCF) Committee Observers –
http://www.climateinvestmentfunds.org/cif/SCF_Observers

SCF – Forest Investment Program Subcommittee –
http://www.climateinvestmentfunds.org/cif/FIP_Observers

SCF – Pilot Program for Climate Resilience Subcommittee –
http://www.climateinvestmentfunds.org/cif/ppcr_observers

SCF – Scaling Up Renewable Energy Program Subcommittee –
http://www.climateinvestmentfunds.org/cif/SREP_Observers

Next steps

This guide is the first step in the next phase of FAN engagement and support for engagement in the sector. The experiences of FAN members with the respect to the World Bank vary from region to region and member to member thus, this format is inadequate to capture all the types of engagement and opportunities that are possible.

We hope that this guide will be useful as we move forward together to discuss and put in to some practice some of the issues and ideas set out within.

We welcome your inputs and examples on how you have used this handbook to engage with the World Bank and plan to share your examples through our website and in a supplementary publication to be developed next year.

Please correct, add to and help us interrogate and use the information we have collected as we strive to improve our impact with regards to the Bank, not only one of the most powerful stakeholders in the sector, but in all poverty and development programs around the world.

This guide is one in a series of publications FAN has developed to help build capacity of FAN members. We have also produced an Activists Handbook on the Rights to Water and Sanitation to improve our work on the human rights-based approach to advocacy. It provides innovative and practical suggestions for promoting and protecting the rights to water and sanitation. In 2011 we will be rolling out demand - driven training on both publications to our members. Please contact the regional FAN networks or the FAN Global secretariat if you would like to be involved in the training.

You can find this handbook, other related resources, links to our online discussions and ongoing dialogue activities at www.freshwateraction.net/worldbank

List of Acronyms:

ANew	African Civil Society Network on Water and Sanitation
BIC	Bank Information Centre
BNWP	Bank Netherlands Water Project
CAS	Country Assistance Strategy
CDF	Comprehensive Development Framework
CMU	Country Management Units
CNES	Citizens Network on Essential Services
CPIA	Country Policy and Institutional Assessment
CSO	Civil Society Organisation
DFID	Department for International Development
ED	Executive Director
ESW	Economic Sector Work
FAN	Freshwater Action Network
FANCA	Freshwater Action Network – Central America
FANSA	Freshwater Action Network – South Asia
HIPC	Heavily Indebted Poor Countries
HNP	Health, Nutrition and Population
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IEO	Independent Evaluation Office
IFC	International Finance Corporation
IFI	International Financial Institutions
IMF	International Monetary Fund
ISDS	Integrated Safeguards Data Sheet
IWRM	Integrated Water Resource Management
JFC	Joint Facilitation Committee
JSA	Joint Staff Assessment
LDCs	Least Developed Countries
MDG	Millennium Development Goals
MIGA	Multilateral Investment Guarantee Agency
NGO	Non Governmental Organisation
OBA	Output Based Aid
OED	Operations Evaluation Department
PAD	Project Appraisal Document
PCN	Project Concept Note
PGD	Program Document
PID	Project Information Document
PPED	Public Policy and Education Department
PPIAF	Public-Private Infrastructure Advisory Facility
PRGF	Poverty Reduction Growth Facility

PRSC	Poverty Reduction Support Credits
PRSP	Poverty Reduction Strategy Paper
PSDS	Private Sector Development Strategy
PSIA	Poverty and Social Impact Analysis
PSP	Private Sector Participation
RWSS	Rural Water Supply and Sanitation
SIAP	Sustainable Infrastructure Action Plan
TTL	Task Team Leader
VPU	Vice-Presidential Unit
WB	World Bank
WBG	World Bank Group
WRSS	Water Resource Sector Strategy
WSP	Water and Sanitation Program
WSS	Water Supply and Sanitation



Further Information

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