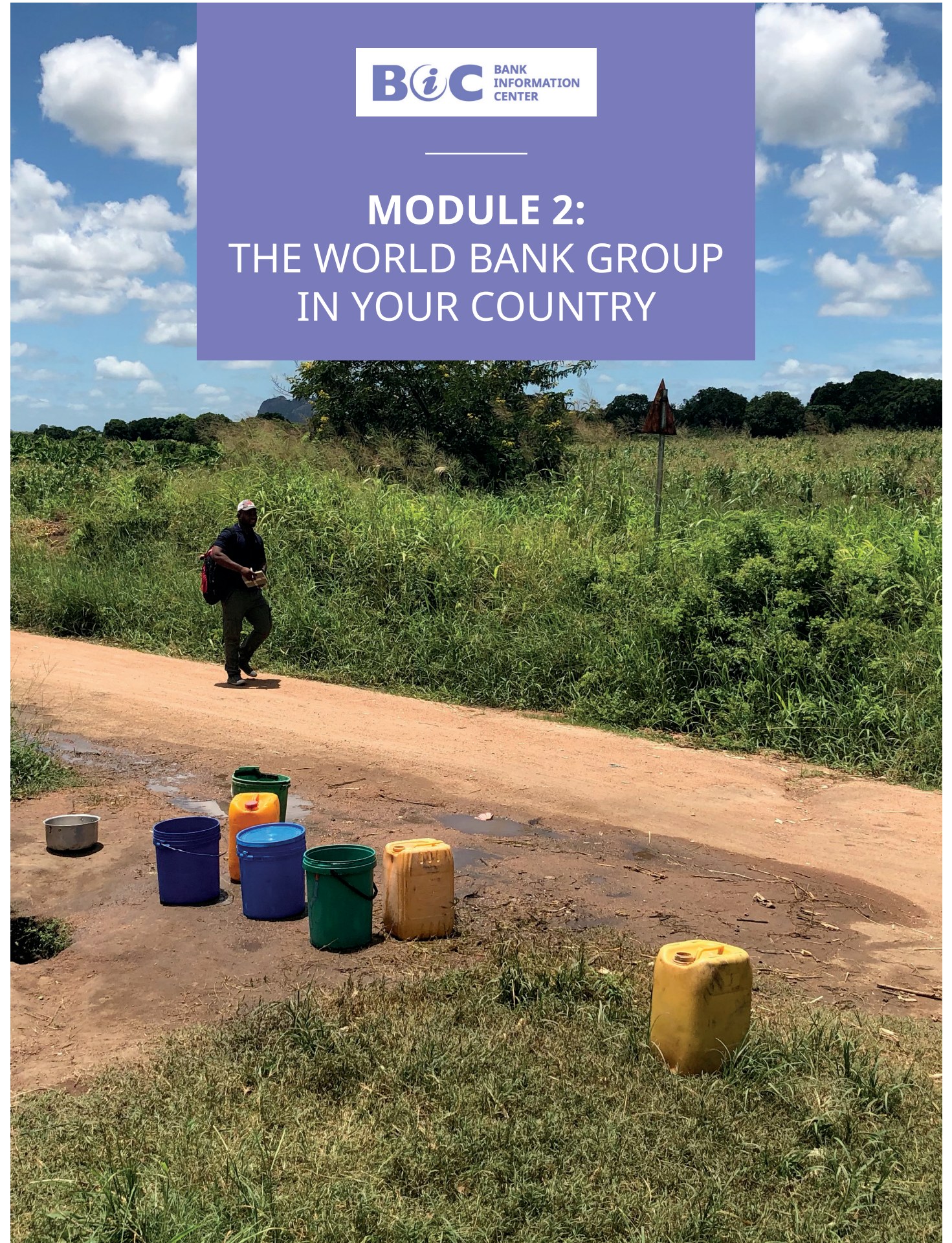




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MODULE 2: THE WORLD BANK GROUP IN YOUR COUNTRY



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Sections In This Module:

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- How does the Bank put its plan into action?
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The World Bank Group (WBG) may be involved in a variety of activities in your country, from visible investment projects to behind-the-scenes research. Whether financing the construction of bricks-and-mortar projects such as dams and roads, funding government healthcare and education programs, or promoting policy reforms like the adoption of new import tariffs or the privatization of state companies, the Bank has an impact on many aspects of life in developing and transition countries around the world.

Understanding how the World Bank Group may be operating in your country is the first step toward addressing the impacts it has on people and the environment.

The Big Picture: What's the World Bank Group's plan for your country?

Many factors determine World Bank Group (WBG) activities in your country. Borrowing governments propose projects for which they seek Bank support. At the same time, the Bank has its own priorities, reflected in its sector, country and regional strategies. Finally, powerful donor countries on the Bank's Board of Directors seek to ensure that their own interests are served by the institution's operations. What ultimately takes place in your country is a result of how these different factors interact.

The World Bank Group prepares a Country Partnership Framework (CPF) (or equivalent document) for each country in which it operates. The CPF is a four-to-six year strategy that the World Bank Group develops jointly with the borrowing country government to guide its operational activities in that country. The CPF identifies a select set of objectives for the Bank's work that can be linked to specific sectors such as agriculture or energy, or might be as broad as enhancing service delivery. All projects and programs that the Bank finances within the time frame of this strategy must be aligned with it, as well as any research or technical support that the Bank provides. The CPF is built around a results framework that identifies the objectives that the WBG activities are expected to help the country achieve, the results chain that links the objectives to the country's development goals, and indicators of progress. The CPF also specifies the total amount of World Bank Group funding available for activities in a country over the coming years, and provides different "lending scenarios" (base case, high case, low case) according to which a country may access more or less Bank funding.

The priorities identified in the CPF are drawn from several sources, including the Bank's analysis as well as the country's national development priorities. Before embarking on the process of preparing a CPF, the Bank develops a Systematic Country Diagnostic (SCD), the analytical document that provides analysis and grounding for determining the opportunities and constraints to poverty alleviation in a

VARIATIONS ON THE CPF

Country Engagement Notes (CENs) are prepared for post-conflict countries and outline the transition from short-term emergency lending to longer-term development lending when the Bank cannot determine a longer term strategy due to instability or uncertainty. CENs usually cover a shorter period of 18 months to 2 years.

TIPS AND CAUTIONS ABOUT THE SCD AND CPF PROCESSES

Although public consultations on the SCD and CPF may provide useful opportunities to influence the debate about development priorities or to shape the Bank's interventions in your country, civil society should have realistic expectations about what engagement in these processes will achieve. They should be cautious about investing energy in them, absent guarantees that public input will be taken into account and that all issues, including controversial economic policies, will be open to public discussion.

Find out when the next CPF is being developed for your country: projects.worldbank.org/en/projects-operations/country-strategies

country. The SCD along with the government's national development plan are used to begin a discussion with the government about priority areas for the country and where the Bank's added value could be. The Bank also looks to see what other donors are planning in the country. In addition, consultations with stakeholders including the private sector and civil society must inform the development of both the SCD and CPF.

In sum, key inputs to the CPF include: the SCD; the government's development plan; other donors' plans; and stakeholder consultations.

After a final draft of the CPF is completed by the World Bank country team and has been signed off on by the Regional Vice President and the Managing Director, it will then be sent to the Bank's Board of Directors for discussion. If your government has given the Bank "simultaneous disclosure" approval, the final draft of the CPF will be disclosed to the public at the same time it is sent to the Board. Otherwise it will be disclosed after the Board discussion.

During the course of the CPF cycle, the priorities are reviewed every two years in a document called the Performance and Learning Review (PLR). The PLR should also be informed by consultations with the government and external stakeholders. Based on the results of the PLR, the Bank can decide to with priorities identified in the CPF, or make a course correction for the coming two years. At the conclusion of the CPF period, a Completion and Learning Report (CLR) is conducted to review and report on the progress made under that CPF and learn lessons for the coming strategy.

How does the Bank put its plan into action?

Research and analysis: the Bank's non-lending activities

As part of its strategy in any country, the Bank conducts research and analysis which influences the content of its lending operations, impacts the government's policies and is frequently referenced by other donors. This includes evaluations of a country's public spending, governance and corruption, procurement and investment regulations, and sector-specific policies (such as regulations on forestry or trade). As an important source of financing for many countries and as a leading producer of research

on development issues, the World Bank Group's analysis carries significant weight among governments, investors and other financial institutions.

Some of these Bank studies are not publicized or they are kept confidential. In these cases, the public has no knowledge that the work is being done, let alone the opportunity to influence the research or its findings and recommendations. The Bank's failure to widely disseminate its research is unfortunate because these studies can contain detailed information for activists and advocates seeking to influence their own governments. On the other hand, a good deal of Bank research is made public, and can give civil society a window into the Bank's diagnoses and solutions when it comes to specific development challenges.

This research is prepared by a wide range of departments, some of which focus on specific countries and regions, while others take a more global perspective.

Building roads, schools and dams: project lending

The World Bank's most visible activities are often its investment projects, which constitute the bread and butter of its operations. Project lending can support bricks-and-mortar investments spanning a range of sectors, as well as discrete activities in different government ministries.

Although investment loans support a wide variety of activities, the Bank processes all projects in a similar way. A project "task team" is created to work with the borrowing government, taking a prominent role in the preparation of the project. The teams are led by task team leaders and composed of specialists from various Bank departments. The government is ultimately responsible for project implementation, and thus typically takes a more prominent role during that phase.

Projects are developed according to a defined project cycle. Understanding this cycle enables you to know what information and specific project documents should be available at different stages of a project's development, and when there are important opportunities to influence decisions about project selection, design or implementation. (See Quick Reference: Project and Policy Lending Cycles and Documents.)

INVESTING IN INFRASTRUCTURE: INROADS INTO THE AMAZON

The Bank's investment projects can have direct and immediate impacts on people and the environment, making them a natural rallying point for civil society critiques of Bank operations. One of the most infamous such projects was the Polonoeste highway in the Brazilian Amazon. From 1981 to 1983, the Bank approved over US\$450 million in loans for the construction of a 1500 kilometer highway in the region of Rondonia, Brazil. The road was designed to penetrate into sparsely populated areas of the Amazon rainforest in order to provide the increasing number of landless migrants in the region with infrastructure, easier access to natural resources and land for agriculture. However, poor planning, cursory assessments of potential project impacts and a lack of oversight led to the influx of tens of thousands of people who devastated the area's natural resources. The project also neglected to demarcate boundaries in a way that would protect the lands of indigenous peoples and other local communities. The subsequent incursion facilitated the destruction of the lands of several traditional groups in Rondonia and contributed to the introduction of a number of deadly diseases which spread rapidly through the isolated communities.

Polonoeste is a striking example of how the Bank's support for an investment can contribute to negative impacts. Civil society uproar around the failures associated with this attempt to "develop" the Amazon represented a historic moment in efforts to reform the Bank's operations.



Changing laws, regulations and institutions: policy lending

A portion of the money that the Bank lends or grants in your country goes straight to government coffers to support certain changes in your country’s laws, regulations or institutions. This financing, called Development Policy Finance or Lending (DPF or DPL), does not support physical investments like roads, hospitals and schools. Instead, the money provides both an incentive and a cushion to your government for adopting policy and institutional reforms advised by the Bank. The Bank doesn’t give out its money casually. DPLs are typically provided in one or more installments (called “tranches”), each of which is tied to the borrower’s fulfillment of specific requirements.

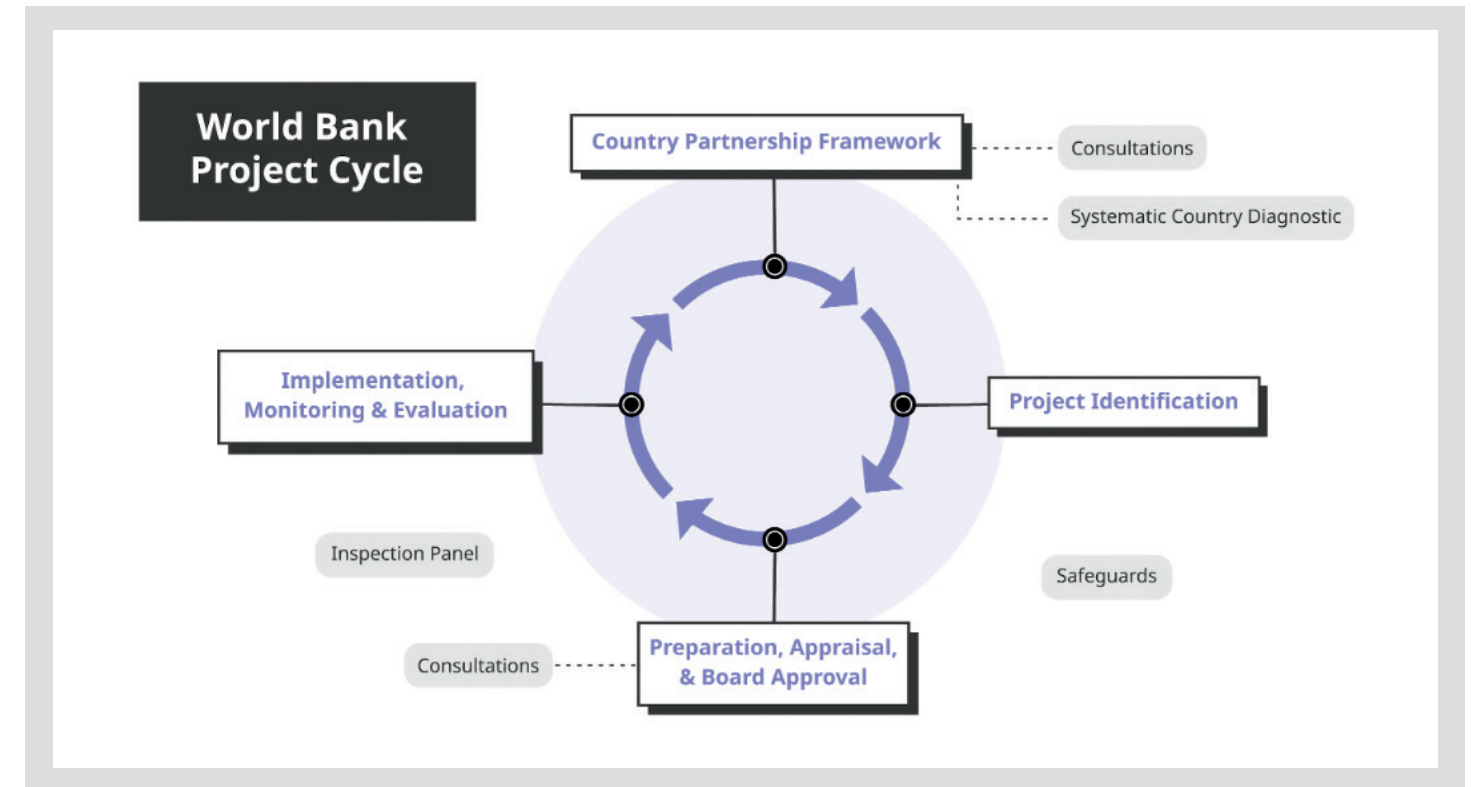
Like investment projects, policy loans and grants are developed by task teams typically led by an economist, and follow a project cycle similar to that for investment loans but with documents specific to policy lending (see Quick Reference: Project and Policy Lending Cycles and Documents). The opportunities to obtain information about and influence the content of policy loans are more limited than they are for project lending. The policies addressed through Development Policy Lending remain more of a black box because the World Bank and government officials typically discuss them behind closed doors and far from citizens impacted by them. However, as opaque and distant as they may seem, policy reforms can have very direct—and at times, dire—consequences for a country’s population.

Putting results first: Program for Results Lending

The Bank can also finance government programs through a third lending instrument called Program for Results. Projects financed through Program for Results can be a wide range of programs, ranging from education to health to decentralization efforts. In this type of loan, the Bank disburses financing according to demonstrated results, which are measured according to agreed upon milestones called “disbursement-linked indicators.” In these projects, the Bank is generally less involved in the design and preparation of the program, and assesses the risk of providing financing to the larger sector of the project based on the institutional capacity of the government in that sector. Civil society have expressed concerns about

EDUCATION AND HEALTH: NOT WITHOUT RISKS

In addition to physical infrastructure projects ranging from hydropower-producing dams to roads that connect from city to city, the Bank also funds other types of government programs through its Investment Project Financing instrument. These projects can include funding the development of a new secondary education curriculum, or the provision of primary health care services to rural populations. Historically, these projects have been categorized by the Bank as lower risk, and in the past civil society organizations have also focused their attention on the higher risk infrastructure projects. However, in recent years CSOs have brought attention to the harms that can result from exclusion of certain populations, including groups that are marginalized due to their ethnicity, age, or ability, from receiving project benefits. As a result of civil society advocacy, the Bank has begun to recognize that the exclusion of what they term “disadvantaged and vulnerable groups and individuals” from receiving project benefits is a type of social risk that must be identified, avoided, and mitigated in its projects.



TYPES OF WORLD BANK RESEARCH	DESCRIPTION
Country Forest Note	Explores options to minimize the trade-offs of planned development on forests, by providing integrated upstream analysis of policies and investments and their potential impacts on forests. Intended to guide projects and programs to be “forest-smart.”
Economic and Sector studies (Education, Finance, Agriculture, Health, Transportation, Industry & Trade, etc.)	Examine the relevance and effectiveness of the policies, institutions and investments in a given sector and provide recommendations for sector reforms. No standard format; vary according to sector and Bank’s focus.
Poverty Assessment	Analyzes the causes and consequences of poverty in a country and examines how public policies have impacted poverty reduction.
Systematic Country Diagnostic (SCD)	Analyzes the key opportunities and barriers for poverty alleviation in a country and is used to inform the Country Partnership Framework.
Risk and Resilience Assessment (RRA)	Examines the root causes of Fragility, Conflict, and Violence (FCV) risk factors in a country.



**THE CONSEQUENCES OF CONDITIONALITY:
HOW BANK POLICY LENDING DEVASTATED
THE CASHEW TRADE IN MOZAMBIQUE**

During the 1990s, the World Bank used the leverage of its financing to pressure the government of Mozambique to liberalize the trade of its largest cash crop, cashews. By eliminating subsidies and other support to farmers, cashew producers in the poverty-stricken country were exposed to stiff international competition, thus earning a much lower price for their crops.

Although the World Bank insisted that market liberalization would contribute to the country's growth, these reforms quickly crippled one of Mozambique's main industries and primary sources of government revenue. Despite protests from farmers, industrialists and unions, the government of Mozambique was required to implement the reforms in order to access much-needed financing from the Bank.

The Bank continues to place similar conditions on its policy loans and grants today, often forcing countries to choose between refusing Bank policy prescriptions that they think are not in the best interest of their population and thereby losing access to much-needed funds, or accepting Bank financing and the strings attached despite the risks that the required policy reforms may pose to people and the environment.

the increase in this type of lending, particularly for projects where there are higher environmental and social risks—in these cases, the more limited role and leverage of the Bank means it cannot easily ensure that environmental and social harms are identified, avoided, and mitigated.

Bringing in the private sector: the IFC and MIGA in your country

The IFC and MIGA provide financing directly to transnational, national, and local private sector companies investing in developing and transition countries, often building off of policy reforms supported by the World Bank Group's lending and advice to governments. IFC and MIGA's activities should be consistent with the priorities identified in the Bank's CPF (or equivalent strategy) for a given country, and IFC and MIGA participate in the process of developing the CPF. Similar to the task teams in charge of World Bank projects, there are teams of IFC and MIGA staff responsible for the loans, investments and guarantees they provide to private companies. These teams, headed by investment officers at the IFC and underwriters at MIGA, are typically smaller than those working on Bank projects.

IFC and MIGA project cycles are more opaque and considerably shorter than those of the World Bank. Claiming that they are constrained by business confidentiality requirements, the IFC and MIGA don't publicly disclose much information about how projects are identified, designed or implemented. Neither institution publicly reports on the development impacts of the projects it supports, making it difficult to assess how well the institutions are contributing to poverty reduction and sustainable development.

The opportunities for the public to influence IFC and MIGA operations—with virtually no advance notice and little information about them, as well as their shorter project timelines—are limited. However, civil society has succeeded in forcing the IFC and MIGA to modify or even abandon problematic projects by exploiting their sensitivity to reputational risk. The IFC is particularly attuned to its reputation because it competes directly with private lenders for business.

Who can you talk to about World Bank Group projects in your country?

Civil society organizations can access information about the World Bank Group through several sources: the institution itself, governments and other civil society organizations. There are a number of different contacts within the Bank, depending on your objective. Many concerns and requests can be handled by country offices. Others are better addressed by contacts at the Washington, DC headquarters. A first step in learning more is to see if the Bank has an office in your country. The Bank has over 100 country offices; you can find a complete list on the Bank's website: <https://www.worldbank.org/en/where-we-work>. The IFC has field offices in many borrowing countries, and MIGA has three regional hubs in Asia, Europe and the Middle East, and Africa that work closely with the headquarters' staff based out of the Washington, DC office.

Your government and civil society organizations are also good sources of information about World Bank Group activities in your country. See Module 3 for more information.

Contacts in your government

The Ministry of Finance (MoF) or its national equivalent acts as the main intermediary between the World Bank Group and the borrowing government. In theory, the MoF is responsible for proposing projects to the World Bank Group and negotiating them. Therefore contacting the MoF can be a useful way to find out what the World Bank Group is doing in your country. Line departments or ministries such as the Ministry of Transportation are the main contacts for information about projects in their sectors after they are approved by the Board of Directors, and are responsible for implementing these projects.

You may also want to contact your parliamentarians regarding World Bank Group operations. In some countries, the parliament is required to review and approve all loans taken by the government or to oversee the operations of public financial institutions, like the Bank, in a country.

BEYOND FINANCING: TECHNICAL ASSISTANCE & ADVISORY SERVICES

Beyond their financing activities, IFC and MIGA both provide technical assistance and advisory services to governments on private sector development, privatization and investment climate reforms aimed to attract foreign investors.

MIGA: A BLACK BOX

MIGA's role as a guarantor places it at a much greater distance from actual project implementation than either the IFC or the Bank. This fact, coupled with the near absence of any information about projects that MIGA supports, makes it much more difficult for the public and civil society to understand MIGA's role and to know when and how to lodge grievances when problems arise with projects that MIGA supports.

TIPS AND CAUTIONS ON WBG EXTERNAL AFFAIRS

The Bank has been trying to steer all civil society contact through its external relations staff. Although they can be important points of contact and may assist groups with a variety of concerns, decision-making power often resides with the country director or project task managers. Civil society groups should insist on direct contact with those responsible for Bank decisions.

USEFUL CONTACTS AT THE WORLD BANK GROUP

TYPE OF INQUIRY	WHO TO CONTACT	HOW TO FIND THEM
General questions or concerns about any aspect of WBG operations in your country	Country Director/ Country Manager	Check the country page on the World Bank's website: www.worldbank.org/en/where-we-work
Seeking guidance on finding information or contacts at the World Bank Group; information on Bank processes and events in your country, such as consultations	Civil society liaison	Visit the WB website to identify the civil society liaison in your country. Note: they do not have decision-making authority on projects or policies, and so should not replace direct contact with Bank staff.
Project-specific questions about WB, IFC and MIGA operations	WB: task team leader IFC: lead investment officer MIGA: underwriter	Project documents often list names of responsible staff, but it can sometimes be difficult to identify these people and obtain their contact information. For assistance, contact BIC: info@bankinformationcenter.org .
Concerns about a proposed WBG strategy, policy or project, prior to its approval	The Executive Director representing your country at the WBG Board of Directors	Visit the page for your Executive Director on the WB website: www.worldbank.org/en/about/leadership/directors
Concerns about harms resulting from a WBG project or policy that have not been resolved by WBG staff	World Bank Inspection Panel and IFC/MIGA's Compliance Advisor/Ombudsman	For more information on these citizen complaint mechanisms, see Module 5 of this toolkit.
Information or concerns about corruption related to any World Bank Group operation	World Bank's Integrity Vice Presidency	Submit a report of corruption via the online form: www.worldbank.org/fraudandcorruption

In Brief

- World Bank operations in your country are guided by several key documents.
- The Bank produces a variety of documents during the preparation, implementation and evaluation phases of its projects.
- Understanding what documents are produced, if and when they are made publicly available, and how to obtain them can help sharpen civil society advocacy efforts.
- The Country Partnership Framework (CPF) (or equivalent) describes the joint government and World Bank Group plan for development interventions in a country over a 4-6 year period.
- The CPF is informed by the Bank's analysis of constraints and opportunities for poverty alleviation which are laid out in the Systematic Country Diagnostic (SCD).
- Consultation with stakeholders is required in developing both the CPF and SCD, but civil society input is often not taken seriously in these processes.
- The Bank implements its country strategy through research and analysis, investment projects, and policy loans, all of which may influence government policy and other donors' agendas.
- Find out about World Bank Group operations in your country through the Bank's website: www.worldbank.org/countries.
- The World Bank's Country Director, your Ministry of Finance (or equivalent) and other civil society organizations are also good resources.

World Bank documents are often highly technical and difficult to understand. Ask BIC for help: info@bankinformationcenter.org

SEE MODULE 3: ACCESS TO INFORMATION AT THE WORLD BANK GROUP for tips on getting Bank documents



QUICK REFERENCE: KEY DOCUMENTS FOR PROJECT-BASED LOANS

PROJECT PHASE	DOCUMENT	DISCLOSURE STATUS
Strategy and Identification	Country Partnership Framework (CPF): Outlines the Bank and government's priorities and proposed lending and nonlending activities in a country for a period of 4-6 years.	Yes (draft CPFs are not usually disclosed)
	Monthly Operations Summary (MOS): Updated on the Bank's website monthly, MOS lists projects under preparation in all borrowing countries.	Yes
Preparation and Appraisal	Project Information Document (PID): Earliest publicly-available project document. Provides summary project and initial environmental and social risk screening information. Updated periodically prior to Board approval.	Yes
	Environmental and Social Review Summary (ESRS): Provides an overview of potential environmental and social risks that have been identified in the project and how the Environmental and Social Standards will be applied.	Yes
	Resettlement Plan: Describes the anticipated impacts on affected communities in the project area, and what measures will be taken to ensure that livelihoods are restored or improved. Required for all projects involving involuntary physical or economic displacement. To be disclosed, consulted publicly and completed prior to project approval.	Yes
	Stakeholder Engagement Plan (SEP): Describes different groups of project stakeholders including disadvantaged and vulnerable groups, and lays out a plan for engaging and consulting these stakeholders throughout the project life cycle and informing them of potential risks and mitigation plans. Also provides a summary of how information will be disclosed to project stakeholders, and how stakeholders can report and resolve concerns or grievances through a project level grievance mechanism.	Yes

PROJECT PHASE	DOCUMENT	DISCLOSURE STATUS
Approval	Project Appraisal Document (PAD): Prepared for the Board, the PAD provides a comprehensive description of project rationale, components, budget and implementation plan. Public after Board approval, or slightly earlier if the government agrees to simultaneous disclosure.	Yes draft PADs are not disclosed)
Implementation	Implementation Status and Results Report (ISR)— Main Bank report evaluating progress of project implementation against baseline indicators. Key issues and risks to project success are described. Prepared semi-annually.	Yes
Evaluation	Implementation Completion and Results Report (ICR): Evaluates project success in achieving objectives and rates Bank and borrower performance. Prepared within 6 months of when the project is completed.	Yes
	Independent Evaluation Group (IEG) report: The Bank's Independent Evaluation Group assesses select projects and sectors to gauge quality and highlight problems. IEG reports are routinely made public.	Yes

QUICK REFERENCE: COMMON ARGUMENTS YOU ARE LIKELY TO HEAR FROM THE WORLD BANK GROUP

The World Bank Group's preemption doctrine: A misguided mission

The World Bank Group often says: If we don't finance this project, someone else would, and it would be worse.

But in reality: The World Bank Group is a public financial institution with limited resources. Its stated mission is to reduce poverty and promote shared prosperity. It has neither the mandate nor the means to prevent all bad projects from taking place or to make all potentially harmful investments slightly less damaging. Arguing that a project will be better if the Bank is involved is not sufficient or sound rationale for supporting it. Indeed, this logic could justify Bank involvement in any operation, from a toxic chemical factory to a highway through a rainforest, in order to pre-empt others from doing it more carelessly. In recent years, the Bank has frequently held out the threat of Chinese financing as a justification for its own, pre-emptive involvement in various high-impact projects. Given its finite resources and the opportunity costs of activities it undertakes, the Bank should select projects on the basis of their likelihood to make a positive contribution to poverty reduction.

Deflecting blame

The World Bank Group often says: Environmental and social standards or "safeguards" are a costly drag on development

But in reality: The notion that safeguards hinder development is premised on a false assumption—that there is a tradeoff between improving economic wellbeing and protecting the environment and society. Far from being at odds with development, social and environmental protections are integral to sustainable growth and poverty reduction. Projects that are selected and designed without consideration of social and environmental standards actually create risks and costs not only for affected populations and ecosystems, but for the Bank itself.

Playing weak: selectively downplaying the bank's power

The World Bank Group often says: We don't have any leverage if we are not involved in the project.

But in reality: The World Bank Group remains an extremely powerful institution, with strong influence over member governments. While financing a project provides one vehicle through which the Bank Group exercises its leverage, it is by no means the only channel of influence available to the institution. The Bank's ability to condition its overall lending to a country and its public and private communications can also significantly impact decisions taken by a Government. Moreover, if the Bank Group is financing a project in order to have a say over how it is done, then the Bank's leverage is strongest before it disburses its funds. Thus, if social, environmental and transparency problems are not remedied before funding is distributed, the Bank is far less able to ensure that they will be resolved later.