Partnership Advocacy in World Bank Environmental Reform

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The mistake the bank has paid the highest price for is not recognizing the importance of the environment.
—World Bank President Lewis T. Preston

Uniti in vita e in morte
Entrambi troverà.
—Don Alvaro and Don Carlo in La Forza del Destino

Notwithstanding the copious literature on the environmental impacts of the World Bank's lending activities in borrowing countries, little attempt has been made to analyze the methods by which nongovernmental organizations (NGOs) undertake to catalyze policy change at that institution. Since at least the early 1970s, public interest environmental groups in the United States have systematically and successfully promoted major policy changes on the domestic level on a wide-ranging environmental agenda, including restoration of air and water quality, exposure to environmental toxins, management of public lands, protection of endangered species, and regulation of pesticide use. But efforts to improve the World Bank's environmental performance, led by many of those same organizations, differ in significant respects from the model of domestic U.S. public policy advocacy on the environment. An examination of the mechanics of the campaign to encourage environmental reform of the World Bank is illustrative not only in revealing the dynamics underlying the international environmental NGO movement, but also in exposing the inner workings of the Bank as an institution. This chapter focuses on relationships between U.S. groups—particularly those with a presence in Washington, D.C., the headquarters of the World Bank.
Bank—and counterpart organizations in the Third World and Western Europe.

Partnership Advocacy and the Case Study Approach to Environmental Reform

Over time, the NGO-initiated World Bank environmental reform campaign has come to be characterized by an approach that might fairly be termed *partnership advocacy*. Cooperation among Washington-based advocacy NGOs and counterparts in other donor and recipient countries has become so deeply entrenched in NGOs’ interventions with the Bank as to have become an essential component of the reform effort.

The *case study approach*, based on a critique of demonstrable problems with specific projects, has been the principal modus operandi of advocacy NGOs for influencing both specific projects and broader, generic policies. This approach has been perhaps most obvious in campaigns to influence particular Bank-financed infrastructure projects, such as large dams. In such cases, the necessity for a local perspective and accurate on-the-ground information is readily apparent. In such situations, the nexus between Bank-financed activities and the effects of those activities is often clear and immediate, the impacts are highly focused on identifiable individuals and communities, and the need for those voices to be heard is consequently often apparent. Case studies crystallize attention around a concrete, immediate problem, while raising broader issues of Bank policy and accountability.

Because of the importance of the case study approach to influencing the Bank, partnerships that focus on a particular Bank-financed project, as opposed to a generic Bank policy that affects all borrowers, can have an especially great impact both on projects and policies. Where campaigns start with efforts to influence broader policies, however, agreement on campaign goals often involves more players and usually much more diverse constituencies with potentially divergent agendas. Moreover, campaigns with clear time lines and goals (often imposed by project cycles) typically tend to be more coherent than more open-ended policy dialogues.

The case study method can nonetheless be expanded to address broader policies. Through a process of induction, analyses of specific
project loans become particularized expressions of generic or systemic difficulties and can be used as a tool to leverage change on those more general policies. For example, in January 1989, the World Bank, under NGO scrutiny, indefinitely deferred consideration of a proposed $500 million electric sector loan to Brazil that would have supported that country’s nuclear energy program and a power expansion agenda involving up to seventy-nine dams in the Amazon basin. Here, a loan-specific campaign raised broader issues of policy. In the most notable precedent set by a project-focused campaign, an independent, ad hoc review of the Sardar Sarovar Dam projects in India “inspired” the creation of a new Inspection Panel with the power to report on the adequacy of Bank staff’s compliance with the institution’s own policies in the context of particular loans. Before describing the various forms that partnership advocacy takes in practice, however, it is instructive to analyze the reasons why this strategy has evolved.

The Role of Partnership in Case Studies of Bank Lending
The most hotly contested debates surrounding World Bank lending have often been factual questions concerning anticipated, ongoing, or completed Bank-financed development projects, some of which are quite complex and all of which are physically located outside the United States. By contrast, many of the more contentious U.S. domestic environmental disputes concern not the integrity of empirical evidence or scientific data, but the policy implications of specific information more or less agreed upon by various stakeholders—such as the environmental community, industry representatives, and governmental agencies. Environmental advocacy organizations often have little in the way of financial or technical resources to undertake independent efforts to monitor air or water quality, for example. As a consequence, in domestic environmental controversies, factual and scientific information generated by governmental authorities tends to dominate the policy debate.

For members of the public in borrowing and donor countries alike, dealing with the World Bank requires a very different approach. Although the situation has changed gradually and incrementally for the better in recent years, the Bank is still notoriously parsimonious with hard data concerning its actual operations, especially those under consideration
for future approval. Indeed, many of the documents critical to NGO campaigns became available only through unauthorized disclosures or “leaks” from the Bank. Further, because the necessity for wholesale environmental overhaul has been less than thoroughly internalized by the Bank’s management, there is a continuing necessity to establish the factual predicate for policy reform. The consequence is a situation in which detailed, fact-specific case studies of particular loans, most often supporting large-scale infrastructure projects, have been the engine that has driven the environmental reform campaign.

Accordingly, international NGOs working on issues in which the World Bank is a critical player have engaged in “basic research” in a way that is much less necessary in the U.S. domestic arena. The evidence, moreover, is virtually always to be found abroad; thus, partnership with local counterparts becomes both desirable and necessary merely to collect sufficient and minimally accurate information. As a result, the NGO reform effort more often than not has been characterized by disagreements with the Bank over such basic information as the details of project design, the performance of borrowing government agencies, and the severity of actual or anticipated harm to the environment, public health, and quality of life. Although their environmental effects are somewhat less directly attributable to a particular Bank action and consequently more difficult to document, structural adjustment and sector loans, which do not finance an individual, readily identifiable infrastructure project, have nonetheless been successfully analyzed in case studies.

To be sure, NGOs have also made major challenges to broader Bank policies. One good example is the Tropical Forestry Action Plan (TFAP)—an $8 billion joint undertaking of the Food and Agriculture Organization of the United Nations (FAO), the United Nations Development Program (UNDP), and the Bank that was the subject of intense worldwide criticism. Also, in 1989, the World Bank, after exposure in the press, abandoned a premature and ill-advised greenhouse gas policy that would have done nothing more than codify the status quo. Even the Global Environment Facility (GEF), established to support environmentally beneficial activities, has come in for its share of criticism. Environmental considerations in sector loans—which may support governmental activities in an entire sector, such as energy, and which do not necessarily finance
specific infrastructure projects—and policy-based adjustment lending—which targets macroeconomic variables such as exchange rates, government deficits, and subsidies with the goal of fundamental economic reform—have also attracted attention from a policy perspective. International campaigns targeted at influencing generic policies, however, have rarely had the same intensity or impact as the controversies surrounding individual World Bank loans that support specific infrastructure projects, such as those discussed in the second section of this book.12

The Role of Partnership in Influencing Multilateral Institutions

The World Bank, simultaneously a multilateral organization and a bank, has an unusual governance structure that tends to insulate it from external NGO influence. The members and shareholders of the Bank are sovereign states, as represented by their governments. Each member state is represented by a governor, ordinarily that country’s finance minister. The board of governors meets as a body only once a year and in practice gives only very general guidance to the Bank’s professional staff. As of this writing, twenty-four executive directors, appointed or elected by member country governments, represent member nations in Washington on a day-to-day basis. They have offices physically located in the World Bank and make the final decisions on staff proposals for individual loans. As in the case of certain other donor states—Japan, Germany, the United Kingdom, and France—the U.S. executive director represents no other member states. Other executive directors represent groups of countries, some of them quite curious. For instance, one executive director represents the unlikely configuration of the Netherlands, Armenia, Bulgaria, Cyprus, Georgia, Israel, Moldova, Romania, and Ukraine. The individual generally identified as the “Canadian” executive director, a donor state, also represents most of the Caribbean countries, which are borrowers.

The board considers more than two hundred loan decisions each year, taking decisions by weighted majority voting. Votes are allocated in proportion to a member state’s shares and its capital contribution to the institution. So, as of this writing, among the 177 current members of the International Bank for Reconstruction and Development (IBRD)—the Bank’s “hard” loan window—the United States exercises somewhat more than 17 percent of the total voting power, nearly three times as
much as the next largest shareholder, Japan. The situation in the International Development Association (IDA), the Bank’s “soft” loan window, is similar.

The Bank’s professional staff also has considerable autonomy in achieving a clearly identifiable, operational, on-the-ground mission: lending for economic development. The board typically operates by “consensus,” implying unanimity. In the unusual situation in which a formal vote is taken, no single Bank member can defeat the approval of a loan proposal. Indeed, even the five largest donors to the Bank acting in concert could not, by themselves, assure that a particular loan proposal would be rejected. For the executive directors who represent groups of countries, particularly those configurations that include both donors and borrowers, the calculus before a negative vote is even more complex than for the large donors. Despite a handful of negative votes at the board level for environmental reasons, effective and lasting change at the Bank requires structural and institutional changes among the Bank’s management. Although a negative vote or an abstention by a member government can dramatically draw Bank management’s attention to an issue such as the environment, that approach is rarely, if ever, successful in rejecting a staff proposal presented at the board level. Instead, unilateral, informal representations from individual executive directors to Bank management at an early stage in the evolution of a controversy are often more effective in obtaining measurable progress than are formal board-level votes. Indeed, the timely threat of a “no” vote can be considerably more effective than a negative vote actually cast.

Because the Bank is formally accountable to its member governments, those policy interventions that come from a variety of countries are much more effective than those originating from a single Bank member. As an important corollary to this principle, demands from directly affected members of the public in borrowing countries carry a legitimacy that is difficult to deny. Communications from front-line, affected groups or individuals—who have a local perspective, often considerable firsthand factual information, and typically the most to lose—possess a particular credibility. When appeals from the public in recipient countries, in theory the intended beneficiaries of Bank lending, stand in opposition to the positions of their own governments, they create an uncomfortable kind
of cognitive dissonance for the Bank's management by forcing a choice between what can appear to be the parochial interest of the borrowing country government, on the one hand, and the Bank's stated mission of sustainable development, on the other.

**Partnership as a Legitimizing Factor**

The Bank's management naturally views borrowing country governments as an important constituency. Representations strictly on behalf of private groups in the United States and other industrialized countries are vulnerable to accusations pointing to "environmental imperialism" on the part of the Bank and borrowing country governments. Accordingly, Bank staff, implicitly or explicitly, may be unresponsive to interventions made purely by organizations in donor countries. Borrowing country governments, moreover, may dismiss environmental demands emanating from industrialized countries unless a direct connection with their own nationals is apparent. On the other hand, donor country advocacy NGOs have been quite successful in acting as intermediaries for directly affected local groups in borrowing countries, in part because of their greater leverage over their respective governments and therefore over the Bank's most powerful executive directors. Presumably for similar reasons, the Bank's resolution creating the new oversight mechanism, the Inspection Panel, specifies that only organizations in borrowing countries have "standing" to complain of the Bank's actions; in exceptional situations, Washington-based groups may nonetheless serve as local representatives on behalf of affected foreign groups.

Many of the substantive environmental problems confronted in the context of the Bank reform campaign are qualitatively different from those encountered in the United States and thus require skills and expertise that may be unfamiliar to NGOs based in industrialized countries. The World Bank loans of greatest concern can finance massive interventions in the natural environment, such as large dams and irrigation systems, of a scale that would be difficult to imagine domestically. In contrast to the situation in the United States, where issues of pollution are often paramount, questions of resource management are likely to be considerably more important in Third World countries. In the developing
world, where many environmental hazards are exacerbated by the twin pressures of poverty and population that are rarely decisive in the United States, inappropriate choices with respect to resource management may have serious consequences for public health and people’s ability to provide for themselves and their families. The environmental dilemmas raised by Bank lending can cut to the very heart of national development priorities in economies that are often heavily dependent on the resource base and that emphasize export-led growth and development strategies. More often than not, Third World organizations have more experience working in these contexts than do their Northern counterparts and consequently are more effective in identifying solutions to such local environmental dilemmas.

In addition to improving environmental quality, the World Bank reform campaign has the additional broad and deeply embedded aim of directly enhancing the democratic accountability to the public of a closed, technocratic institution. It is unthinkable that this goal could be achieved without the participation and support of those most directly affected by the Bank’s activities.

The campaign to reform the World Bank’s and regional banks’ environmental practices has focused on both technical-substantive and process-accountability policy reforms. The former directly address substantive environmental issues such as pollution mitigation and forest conservation. The process agenda calls for greater public participation in the design and implementation of loans and improved access to information generated and obtained by the development banks. Realization of process-accountability goals implies a wholesale democratization of the development-lending process as undertaken by both the Bank and the recipient country government. Certain elements of the environmental reform platform incorporate both types of considerations. For example, public participation and transparent policy decision making are central components of the methodology of environmental assessment both in the United States and abroad, which in turn has influenced the Bank’s environmental policy.16

NGOs can facilitate the democratic decision-making agenda among themselves by cooperating and sharing information with other groups. More specifically, by creating access and leverage for locally based bor-
rowing country groups, donor country NGOs can successfully empower their counterparts to demand what they cannot obtain directly from their own governments or from the Bank. There is variation between those North-South partnerships that end up empowering Southern partners and those that do not or that do so to a lesser degree. Not all partnerships are equally empowering, nor are all equally accountable to the communities most affected by Bank projects or policies (see Brown and Fox, chapter 12, this volume). Nevertheless, the indirect route by which Washington-based organizations act as interlocutor with the U.S. government and the World Bank, although perhaps a second best alternative, is often a more effective mechanism for Third World activists to achieve access than is dialogue with their own governments.

Partnership Advocacy in Practice
The World Bank campaigns include politically diverse constituencies. Among advocacy groups, it is possible to identify two reasonably distinct subperspectives: (1) reformists who by and large accept the reality of the continued existence of the international financial institutions, at least for the medium term; and (2) abolitionists who tend to identify their goals as elimination of the multilaterals altogether. This distinction may be more philosophical than practical, and in some cases the two approaches seem to coexist within the same organization. In fact, the abolitionists can create a radical pole that makes the reformists appear more moderate and "reasonable," thereby enhancing their effectiveness. (For distinctions among the more moderate NGOs and those participating in the official World Bank-NGO Committee, see Covey's chapter, this volume.) As the terrain of advocacy shifts beyond preventing or mitigating disasters to promoting the implementation of "reformed" social and environmental policies, it will be interesting to see if such mutually reinforcing dynamics are sustained.

Since the partnership advocacy approach emerged in the mid-1980s, Northern and Southern NGOs have gradually increased their levels of coordination and collaboration. Since 1986, NGOs from around the world have attended parallel convocations coinciding with the World Bank/International Monetary Fund (IMF) annual meetings. In recent years, the NGO alternative annual meetings have expanded in participation
and focus to include not just environmental organizations, but also church
groups and development NGOs, and they increasingly have taken up
broader policy issues, such as structural adjustment. These meetings have
been a major opportunity to formulate joint agendas, often memorialized
in formal statements. One outgrowth of these annual NGO assemblies
was a broad advocacy campaign to mark the fiftieth anniversary of the
founding of the World Bank and the IMF. Challenging the World Bank’s
institutional capacity to perform its stated mission, the “Fifty Years Is
Enough” campaign highlighted the “strongly held belief by growing
numbers of people around the globe that the type of development that
the World Bank and the IMF have been promoting cannot be allowed to
continue.” Structured as a coordinated cluster of national or regional
campaigns, this global effort gained more than 140 organizational mem-
bers in the United States and more than 170 foreign affiliates in about
thirty countries. This endeavor triggered a direct response from the Bank,
which issued its own vision statement.

North-South NGO partnerships are not the only critical components
of Bank reform campaigns. Coordination among advocacy groups in
diverse donor countries is also essential for achieving policy change. As
noted above, the Bank’s governance structure requires coordinated ad-
vocacy efforts in North America, Europe, and Japan to pursue environ-
mental change agendas to influence borrowing governments, which in
turn are often skeptical of, if not resistant to, policy reform. Western
European governments have only recently begun to become more re-
sponsive to environmental reform agendas driven by coordinated NGO
efforts to target their finance and foreign aid officials as entry points into
the World Bank’s decision-making process. The Sierra Club developed a
close partnership with Euronature, a German organization with offices in
Bonn and Brussels that has been active on World Bank–related matters in
eastern Europe. Similarly, the German groups Urgewald and World
Economy, Ecology, and Development (WEED) have played influential
roles in Germany, often coordinating World Bank campaign strategy
with the Environmental Defense Fund in Washington. National NGO
networks in Britain, France, Holland, Italy, Norway, and Sweden are
also working to influence the policies of their national representatives at
the World Bank.
A number of U.S. NGOs have created pools of money to be used for small grants to counterpart organizations in developing countries. Small amounts of money can go very far in the Third World, thereby substantially increasing the human resource base abroad. Starting in 1986, the Environmental Policy Institute (now Friends of the Earth–U.S.), the Environmental Defense Fund, the National Wildlife Federation, the Bank Information Center, and the Global Greengrants Fund each developed funds for awarding small grants, distributing at least several hundred thousand dollars to counterparts in developing countries for on-the-ground capacity building, travel, computers, operating expenses, and training.

Some NGOs by their very nature have a multinational character, which makes for natural partnership relationships. One of the most active in Bank reform efforts is the Friends of the Earth (FOE), currently a worldwide federation of fifty-two national affiliates (the Philippine affiliate is central to the discussion in Royo’s chapter and the Italian branch is discussed in Keck’s chapter, this volume). Approximately 40 percent of these sister groups are located in developing countries. The yearly assembly of FOE affiliates is an occasion for setting a joint agenda, building consensus, sharing information, updating the campaign, undertaking new initiatives, and adopting resolutions. The World Wide Fund for Nature (formerly World Wildlife Fund) is a family of twenty-eight national organizations (NOs) that share finances, information, and publications; it also coordinates multilateral development bank advocacy work among its affiliates as well as with other Northern advocacy NGOs. Greenpeace International, whose headquarters is located in Amsterdam, coordinates international, regional, and national campaign activities in forty-three offices in thirty-two developed and developing countries. The social change–oriented Oxford Committee for Famine Relief (Oxfam) international NGO network has also become very influential, especially on debt and structural adjustment issues.

**Sardar Sarovar: The Paradigm Project Campaign**

An excellent example of the case study approach to partnership advocacy is the campaign around the Sardar Sarovar Dam on India’s Narmada
River, which focused on a 1985 World Bank loan of $450 million. The Sardar Sarovar Dam, the centerpiece of a huge and complex multidam project, quickly became the subject of heated environmental and human rights controversy.

In many ways, the Narmada campaign became a paradigm of project-specific partnership advocacy. Indian nongovernmental organizations and citizens in the region banded together in an aggressive and vocal grassroots coalition known as Narmada Bachao Andolan (Save the Narmada Movement) and made repeated threats that they would perish voluntarily before accepting forced resettlement. The movement’s chief spokesperson, Medha Patkar, has achieved the status of a global celebrity. In December 1990 and January 1991, thousands of tribal peoples, oustees, and their supporters staged a “Long March” to the dam site that was interrupted by the police and military. The high level of organization at the local and national level, however, guaranteed a steady flow of both factual information and local perspectives from those affected by the project.

This solid, sustained, in-country base facilitated the efficacy of Northern partners on behalf of their Indian constituents. In most such campaigns, the first representations are typically made to the Bank’s professional staff, which has the capability to affect appreciably the borrowing country’s behavior. On its own initiative, management may even discontinue disbursements for loans that have been approved by the board of executive directors or, in the case of proposed loans that have not yet been considered by that body, suspend or terminate negotiations with the borrowing country. Because the Bank’s management has this significant degree of power, it is often desirable to communicate at the staff level in the beginning of a campaign to exhaust this remedy from a procedural point of view, even if the outcome is likely to be unsatisfactory. In the Sardar Sarovar case, sustained interventions with Bank staff and with upper-level management in 1988 led to a high-level mission to India.

A second strategy in the Sardar Sarovar campaign involved efforts to influence ministers, parliamentarians, and other representatives of national governments in key Bank member states, to whom the individual executive directors are ultimately accountable. On October 24,
1989, U.S. Representative James H. Scheuer (D-N.Y.) chaired a special oversight hearing on the Sardar Sarovar Dam. In April 1990, NGOs organized an International Narmada Symposium in Tokyo, an important venue because the Japanese government was cofinancing the project. More than twenty members of the Japanese Diet wrote to then-World Bank President Barber Conable demanding an end to Bank funding for the dam. Similar activities in Europe resulted in communications from members of the Swedish Parliament and the European Parliament.

A third strategy involved systematic attempts to influence the executive directors individually and, ultimately, to affect the decisions of the board of executive directors as a body. After direct communications from Indian nationals and Washington-based groups, the former and present (as of this writing) Dutch executive directors became personally interested in the potential adverse effects of the Sardar Sarovar loan. In the next stage, representations were made directly to the Bank’s governors, individually or collectively. So, during the World Bank/IMF annual meeting in Washington, a full-page, open letter to World Bank President Lewis Preston, endorsed by 250 signatories from thirty-seven countries, appeared in the Financial Times, demanding that the World Bank “withdraw from Sardar Sarovar immediately” and challenging donor country contributions to the World Bank.

A fourth strategy involved international media publicity and public education, both crucial elements in the NGO campaign on the Narmada projects. For instance, in 1992 the Environmental Defense Fund and the Bank Information Center created the Narmada International Human Rights Panel to monitor and publicize human rights abuses in the region. During the 1992 monsoon season, members visited the dam area and reported on human rights violations, including a fatal shooting of a tribal woman by local authorities. The Narmada campaign also worked with established human rights networks, such as the Lawyers Committee for Human Rights.

Key members of the Bank’s board, faced with sharply conflicting “facts” on the project from Bank staff and NGOs, took the unprecedented step of encouraging Bank management to commission an independent expert review. Led by Bradford Morse, former administrator of UNDP, with Thomas Berger, a noted Canadian human rights lawyer,
as deputy chair, the independent review confirmed much of the NGO critique and called for the Bank to “step back” from the project—a high point for the case study–based advocacy campaign approach.27

Bank management nonetheless decided to continue to fund the projects.28 It subsequently decided to make continued disbursement of the 1985 loan conditional on improvements in resettlement before the end of March of 1993, a step that Morse opposed. The Bank’s board voted on October 23, 1992, to continue funding the project despite the objections of executive directors representing 42 percent of the Bank’s voting power—including directors from the United States, Germany, Japan, Australia, Canada, and the Nordic countries.29 On March 30, 1993, the deadline for the implementation of the resettlement reforms, the Indian executive director requested the Bank to cancel the remaining disbursements of $170 million and announced that the government of India would finance the remainder of the project by itself. Apparently playing its part in a behind-the-scenes deal, the Bank reasserted its confidence that India had nonetheless satisfied the benchmark conditions precedent for the continued receipt of funds under the loan.30

The Narmada campaign gave the NGO campaign the leverage needed to encourage broader procedural reforms at the World Bank. The campaign revealed widespread flaws in the content or implementation of key Bank policies—such as those governing environmental assessment, forced resettlement, the treatment of indigenous peoples, and access to information. The Bank’s abdication of responsibility with respect to human rights issues highlighted the multilateral institution’s longstanding policy of asserting its legally constrained capacity to respond to human rights violations in its decision-making processes. The campaign also raised issues about the Bank’s inconsistent treatment of violations of loan agreements.31 Seen as but the most visible recent example of systemic deficiencies in project quality and implementation documented in the Bank’s internal Wapenhans Report,32 the Sardar Sarovar project created an opening for Washington-based NGOs to argue that the Bank’s funding should be curtailed.33 The history of the project also exposed the barren cynicism behind the Bank’s argument of last resort, namely that the institution’s continued presence can nevertheless leverage improvement in borrower performance. If, as in the Sardar Sarovar case, this
"We can do bad projects better than anyone else" philosophy is carried to its logical conclusion, there is no loan so flawed or fundamentally unsound that the Bank should refuse to fund it. As a result, the Narmada campaign generated the momentum needed to catalyze both the creation of the Inspection Panel and the adoption of a more open public information policy (see Udall chapter, this volume).

Policy Reform at the National Level in Donor States

Early on in the environmental reform campaign, the potentially pivotal role of the U.S. government, the World Bank's single largest shareholder, was well appreciated. It goes without saying that the U.S. government will likely be more responsive to input from U.S. citizens than from foreign nationals. Thanks largely to the work of U.S. public interest organizations and bipartisan support among lawmakers, the U.S. Congress has been quite active for the past decade in enacting legislation specifically targeted at encouraging environmental reform of the World Bank and other international financial institutions. The principal strategies employed in legislation to maximize U.S. influence in these multilateral institutions are (1) policy-based instructions to representatives of the United States, such as the U.S. executive director to the World Bank; (2) voting restrictions and mandates to those representatives; and (3) conditions on U.S. contributions to these multilateral institutions. Of the three, the "power of the purse" has generally been regarded as the most effective vehicle for transmitting directives and expectations in a form that will have the greatest impact on the Bank's management. In large measure, this perception accounts for the major role played by the Appropriations Committees in both houses of the Congress on the World Bank environmental reform issue.

A set of hortatory recommendations was the first conduit through which Congress articulated its expectations with respect to environmental reform at the World Bank and the regional development banks. A series of binding appropriations measures have since been an annual feature of the appropriations cycle for the World Bank and other international financial institutions. In 1987, permanent authorizing legislation was signed into law, directing U.S. representatives to the
development banks to promote improved environmental performance by these institutions, including the adoption of environmental impact assessment (EIA) procedures. All these measures also require the involvement of the local public and health and environment ministers from borrowing countries in project design, improved access to information, and strict monitoring and enforcement.

A particularly noteworthy development on the legislative front was the enactment of the International Development and Finance Act of 1989, containing the so-called Pelosi Amendment, named after its principal congressional sponsor. This statutory authority requires the U.S. Department of the Treasury to promote the adoption of procedures that improve public access to EIAs at the World Bank, as well as at the regional development banks for Africa, Asia, eastern Europe, and Latin America. Effective December 19, 1991, two years after enactment, the Pelosi Amendment also prohibits the U.S. director of any multilateral development bank from voting for a proposed loan unless an EIA has been prepared 120 days before the vote and disseminated to the public. The purpose of this law is not primarily to trigger a negative vote by the United States or the rejection of a loan proposal, but to encourage the development banks to adopt improved policies. U.S. abstentions with respect to votes with MDBs because of the requirements of the Pelosi amendment have declined since the amendment’s passage. In 1995, the United States did not abstain on Pelosi grounds from any projects, compared to its abstention from 17 percent of projects in 1992.

The U.S. executive branch, and particularly the Department of the Treasury—the executive department with principal responsibility for relations between the U.S. government and the MDBs—has been similarly supportive of the environmental reform agenda at the World Bank and the regional banks during the Reagan, Bush, and Clinton presidencies. For example, when James A. Baker III was Reagan’s secretary of the treasury, he authorized intervention at the board level on a number of specific development bank loans, both those that had already been approved and those that were proposed for approval but had yet to be implemented. Baker also authorized the adoption of a series of specific generic standards for MDB projects that harm specific sensitive ecosystems—including tropical forests, tropical wetlands, and grasslands—
with the goal of leveraging further policy reform at these multilateral institutions through the exercise of U.S. voting power. Significantly, these voting instructions were drafted with a high degree of input from American NGOs.

The 1994 congressional elections brought the Republicans to power in Congress and reshaped the terrain for advocacy. The bipartisan basis of reform efforts in the Congress had relied, in part, on a coalition between environmentalists and Republican foreign aid critics, a coalition that became much more difficult for many environmental NGOs to sustain after 1994, particularly when the Republican majority started attacking domestic environmental programs. The dominant Republican attitude expressed itself primarily, if not exclusively, as an anti-aid agenda, rather than a strategy for using appropriations as a means of leveraging reform at the Bank. Without leverage in the Congress, partnership advocacy became more difficult in the United States.

Lessons Learned and Questions Unanswered

The partnership advocacy model has plainly been a successful strategy for NGOs to catalyze environmental reform at the World Bank. The teamwork of borrowing country groups and U.S. NGOs allows for a division of labor that synergistically magnifies the impact of each partner's contribution. In an ideal case, Southern groups bring legitimacy, local perspective, and on-the-ground information to the table, whereas their U.S. counterparts provide political access, leverage, media coverage, and an international policy perspective based on accumulated experience that is not confined to a particular country or project. In interactions with third parties—most notably the Bank's professional staff and borrowing country governments—the collaboration can take positions that are both representative of local interests and strategically and technically well informed. Within the international NGO movement, the partnership approach seeks to assure accountability to those with the most at stake and the true beneficiaries of the reform effort, namely the public in borrowing countries.

But precisely because of the accomplishments of the World Bank environmental reform campaign spearheaded by NGOs and the partnership
advocacy model that has been a principal strategy for achieving those successes, a large number of second-order dilemmas have emerged. For whatever reason—because they have not arisen in a concrete setting, because they are not considered important, or because they have not been given much thought—these somewhat more sophisticated challenges have received little or no attention from the NGO community.

One of the more salient of these dilemmas concerns the authority of Northern groups to represent their Southern partners. The partnership advocacy model anticipates the formation among private actors of ad hoc, voluntary relationships. Although a standard based on accumulated practice and custom may emerge over time, there are now no explicit, objective ethical criteria applicable to these collaborations like those that govern the attorney-client relationship. For some groups, and certainly for U.S. groups, the role of representing the interests of others, as opposed to their own goals and those of their members, has been a somewhat uneasy one, although tensions may have abated through the years as groups have learned how to work together.

The Bank’s board of executive directors has addressed this consideration directly through the mechanism of the World Bank’s new Inspection Panel. The resolution creating the panel expressly provides that only “an affected party in the territory of the borrower” may initiate a request for inspection. The resolution anticipates that the complainant (i.e., the affected party) may have a local representative in Washington, or elsewhere if it contends that appropriate representation is not locally available and the executive directors agree at the time they consider the request for inspection.

Another significant concern is the appropriate role of Northern organizations in donor countries such as the United States, which do not borrow from the Bank but which have the most influence at the institution because they are the source of the Bank’s capital. It is clear that most, if not all, environmental advocacy organizations in industrialized donor states have their own policy priorities and do not regard themselves as mere agents of their partners in World Bank borrowing countries. Donor country NGOs have their own worries about the propriety and efficacy of the use of their own tax monies to fund the World Bank’s overseas operations. The priorities of potential Southern and Northern
partners may overlap or coincide with those of counterpart groups in other nations, but ultimately each NGO decides its program for itself.

These considerations suggest that an NGO in a donor country should be free to refuse an overture from a potential collaborator in a borrowing country because of divergent perspectives. If differences arise after a more or less formal partnership relationship has been formed, however, there may be complications. In such a case, if the U.S.-based organization, acting both in a representative capacity and on its own behalf, were to withdraw or abandon the undertaking, the interests of the borrowing country organization may be severely compromised, especially when that organization cannot identify a new collaborator. This counsels both special attention to the identification of a common agenda at the partnership formation stage, as well as a shared understanding of how to sustain and, perhaps, eventually terminate the relationship.

Although this approach might seem suitable to a project-specific intervention, more serious conceptual difficulties arise in the formation of partnerships targeting broader Bank policies that affect the public in all borrowing countries. One difficulty concerns whether Washington-based groups should or must take into account divergent opinions among the NGO community worldwide, and if so, how. Indeed, there is some question whether a worldwide NGO community consensus can be identified, especially considering the diversity among potential public interest-oriented partners. But as NGO efforts become increasingly sophisticated and successful, as more is at stake in NGO dealings with the World Bank, and as the diversity of the NGO movement worldwide expands with an increasingly wide array of viewpoints on an ever-growing number of subjects, the issue of North-South NGO accountability on policy advocacy issues becomes more likely to arise.

Those U.S. groups that have contemplated the matter appear to have a “let a thousand flowers bloom” philosophy. In other words, each group, both in borrowing and donor countries, is free to choose its own collaborators. There is a tension between the obvious necessity for Northern activists to be anchored by alliances with their Southern analogues in borrowing countries and the practical impossibility of representing every NGO in the world. Moreover, some disagreements are bound to arise. In the environmental area alone, active organizations encompass both
field-based groups with operational, on-the-ground missions and advocacy organizations whose goal is broad policy reform. Within the subset of environmental advocacy groups, some believe that reform of the World Bank is possible, whereas others express profound skepticism that the Bank and other international financial institutions will ever serve as affirmative vehicles for preserving and improving environmental quality.

This laissez-faire approach does have some drawbacks. In some situations, it may be difficult to identify a minimal level of consensus in the borrowing country—thereby inviting the question, Is a shared in-country perspective a desirable or necessary precondition to intervention by Northern groups? Identifying the "public interest" and a public-policy advocacy agenda is uniquely difficult under such circumstances. When there is no agreement among local groups, an ancillary issue is whether a Washington-based organization can or should avoid exacerbating factions or divisions among in-country NGOs. Yet another question that may arise in such turbulent circumstances is the extent to which representatives of any one group in fact have been deputized to speak for their own constituencies, let alone for any others. Widespread sharing of information with other groups—even those with divergent viewpoints—may at least improve the situation.

At the other end of the spectrum, the "thousand flowers" philosophy quite obviously invites the possibility of marginalizing dissident voices that cannot find counterparts in donor states. Both dilemmas suggest that a necessary, although not always sufficient, condition for a U.S. group to become involved in an overseas controversy is a thorough knowledge of the country concerned. There are also indications from past partnership experiences that action does not always match rhetoric when highly technical matters are at stake, such as end-use energy efficiency in alternatives to Bank-financed power projects. Although partnerships have been highly successful on project campaigns, as in the Narmada case, when it comes to broader policy-level advocacy, NGO technical and information-gathering capacity is limited. These considerations counsel against the creation of "marriages of convenience" and instead suggest the advisability of long-term partnerships in which the collaborators learn to know each other well on a day-to-day basis before
initiating potentially stressful confrontations with sophisticated institutions like the World Bank.

There is no longer any question but that North-South partnerships can and do work in practice, and the necessity for such collaborations as a matter of principle is now well accepted. But these lessons only invite yet another tier of trenchant second-order questions, themselves large in number and with, as yet, only incomplete answers. Although to a certain extent the nature of partnership relationships will vary depending on the context, several other unresolved generic concerns can also be identified:

- What attributes, if any, should the proposed partner organizations have before such a relationship is formed? For instance, how representative of local opinion should or must the borrowing country organization be?
- Is it relevant that either or both of the partners receive financial support from governments or have contractual relationships with the World Bank?
- How should a partnership relationship be established?
- What are appropriate terms for a partnership relationship?
- What, if any, objective indicia should there be to demonstrate that such a relationship has been established?
- What obligations do partner organizations have toward each other?
- Under what conditions should the partner be consulted before major decisions are made?
- Under what circumstances may the partners purport to represent each other?
- Is there a difference between active representation of a partner and sympathetic expressions of support for the partner’s position?
- Should the partnership relationship imply a commitment of financial resources, and, if so, what kind of commitment?
- What sort of consultative process, if any, should donor country groups engage in before expressing their views on generic policies adopted by the Bank and other international financial institutions?
- What obligations, if any, do the partners have to third parties, such as in-country NGOs with divergent views, that may be interested in the partners’ activities?

Based on previous experience, it is unlikely that the NGO community will address these issues in abstract terms. Rather, it will be fascinating to observe the partnership advocacy model as experience accumulates.
After a decade and a half of forming advocacy partnerships around World Bank issues, the NGO community has developed a significant capacity to identify destructive projects before they happen and sometimes even to stop them. The case study approach has succeeded in contributing to the change or creation of Bank policies in a range of areas. NGOs have developed a sophisticated network of trip wires to identify problem projects, a global communications network to link local grassroots activists and skilled lobbyists, and a well-developed capability to use the media.

The partnership advocacy model will need to adapt to a new set of “second-generation” challenges to NGO Bank campaigns. Having successfully pressured the Bank to adopt social and environmental reform policies, the main challenge now, in many cases, is to hold the Bank and borrower governments accountable for the full implementation of those commitments. This kind of advocacy requires not only informed and capable local communities throughout an area where a project is implemented, but also effective “real-time” monitoring capabilities, which in turn require greater organizational capacity at all levels, from the directly affected communities up through the provincial and national capitals to Washington, D.C. Making the transition from doing damage control to holding the World Bank accountable to its policy reform commitments poses a key challenge for future partnership advocacy.

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Notes


2. Giuseppe Verdi, La Forza del Destino, act 3, scene 2 (1862 and 1869) (libretto by Francesco Maria Piave, with additions by Antonio Ghislanzoni).

3. The World Bank, as that term is used in this chapter, consists of two legally and financially distinct entities, each established by multilateral treaty: (1) the International Bank for Reconstruction and Development (IBRD), established in 1945, which lends to governments at approximately market rates of interest; and (2) the International Development Association (IDA), established in 1965, which lends at low interest rates to governments of the very poorest countries. The “World Bank group” also includes three other affiliates: the International Finance Corporation (IFC), which, in contrast to the IBRD and IDA, lends to the private sector; the Multilateral Investment Guarantee Agency (MIGA); and the International Center for the Settlement of Investment Disputes (ICSID)—none of which will be explicitly addressed in this chapter.


7. The World Bank’s information policy in principle is guided by a presumption in favor of disclosure. See Udall chapter, this volume, and World Bank, “Disclosure of Operational Information,” Bank procedure 17.50 (September 1993). The Bank’s most commonly cited reason for refusing to release documentation—protection of confidential relationships with borrowing country governments—is quite plainly not the only operative principle because it has refused to release country-specific documents even with the approval of the borrower. See David A. Wirth, “Legitimacy, Accountability, and Partnership: A Model for Advocacy on Third World Environmental Issues,” Yale Law Journal 100 (1991), pp. 2645, 2653 n. 31. Although the Bank’s current information policy is considerably more forthcoming than before, detailed documentation is still available only for approved loans and not for those under development or “in the pipeline.”


9. With the guidance of the World Resources Institute (WRI), a Washington-based policy research organization, the basic outlines of TFAP were set out in 1985. See their Tropical Forests: A Call for Action (Washington, D.C.: World Resources Institute, 1985). In 1987, relying on the TFAP infrastructure, then-president of the World Bank Barber Conable promised to double Bank investments for tropical forestry projects within the TFAP infrastructure (Barber B. Conable, president, the World Bank and International Finance Corporation, address to the World Resources Institute, Washington, D.C., 5 May 1987). Worldwide criticism of TFAP alleged that the plan was failing to respond to the deforestation crisis and in some cases exacerbating it by emphasizing export markets and commercial logging; by opening forests to colonization, agriculture, and ranching; by not involving local communities and NGOs in planning and
implementation; and by neglecting the significance of and effects on forest-dwelling peoples. A high-level review team in June 1990 recommended considerable changes, including greater attention to policy reform and to local capacity building. Several unofficial critical reports made additional recommendations: making the TFAP process more open and accountable to the public, developing a new management structure as an alternative to that now housed in FAO’s Forestry Department, and improving quality control. By 1990, WRI had concluded that “TFAP as currently implemented is not achieving many of the plan’s original objectives. Moreover, it seems unlikely that the present TFAP planning process will ever be able to achieve some of them” (Robert Winterbottom, Taking Stock: The Tropical Forestry Action Plan After Five Years [Washington, D.C.: World Resources Institute, 1990], emphasis in original). In 1991, TFAP was characterized as “all but disavowed by some of its original sponsors” and then-president of WRI James Gustave Speth described the plan as the “biggest disappointment of my six years at W.R.I.” (Eugene Linden, “Good Intentions, Woeful Results: How an Ambitious Environmental Program Ended Up Damaging the Tropical Rain Forests,” Time, 1 April 1991, p. 48). According to a leading observer of the Bank, “by 1991, the TFAP was for all practical purposes dead” (Bruce Rich, Mortgaging the Earth, p. 164 and generally pp. 160–66). See also Mikesell and Williams, International Banks and the Environments, pp. 131–34.


11. Although this chapter does not address the GEF directly, one could argue that it was created as a multilateral response to growing nongovernmental concern about the environment. After its establishment in 1990, the GEF began a three-year pilot phase with approximately $1.3 billion in funds for distribution on a grant or highly concessional basis for situations in which the recipient country bears the cost of environmental protection, but the benefits accrue to the global community. The GEF addresses four global environmental issues: (1) stratospheric ozone depletion; (2) the “greenhouse” effect; (3) the degradation of international water resources; and (4) loss of biodiversity. It is a joint undertaking of the Bank, the United Nations Environment Program (UNEP), and United Nations Development Program (UNDP), but the Bank administers the funds and manages project implementation. See Andrew Jordan, “Paying the Incremental Costs of Global Environmental Protection: The Evolving Role of GEF,” Environment (July/August, 1994), p. 12; World Bank, “Documents Concerning the Establishment the Global Environment Facility,” 30 I.L.M. 1735 (1991); United Nations Development Program, United Nations Environment Program, and World Bank, Global Environment Facility: Independent Evaluation of the Pilot Phase (Washington, D.C.: UNDP, UNEP, World Bank, 1994). NGO criticisms have focused on the exclusion of nongovernmental organizations as observers at GEF participants’ meetings, lack of access to GEF documentation, and failures in consultation with local communities. See Ian A. Bowles and Glenn Prickett, Reframing the Green Window: An Analysis of the GEF Pilot Phase Approach to Biodiversity and Global Warming and Recommendations for the Operational

12. See David A. Wirth, Environmental Reform of the Multilateral Development Banks (Flint, Mich.: C. S. Mott Foundation, 1992) (quoting World Bank staffer as observing that “[e]veryone in Washington has a recommendation about how we can do better. These case studies are unique in that they concretely demonstrate the need for change” [p. 11]).


14. See U.S. General Accounting Office, Multilateral Development: Status of World Bank Reforms, no. 19 (Washington, D.C.: GPO, 1994). (The GAO noted that from October 1990 through December 1993 the United States voted “no” on twenty-two loans and abstained on ninety-eight more, of which ten negative votes and seventy-five abstentions “stemmed primarily from legislative requirements on the observance of human rights and the performance of environmental impact assessments,” but that all 120 loans were nonetheless approved by the Bank’s board.)


16. However, a recent Bank report recognizes that this is one of the weakest parts of the EIA provisions in practice. World Bank, Mainstreaming the Environment (Washington, D.C.: World Bank, 1995).

17. See Wirth, Environmental Reform and Environment and the International Institutions.


20. See World Bank Group, Learning from the Past, Embracing the Future, 1994 p. 7 for the statement of World Bank President Lewis T. Preston that “[i]nstitutional change is already under way. The themes of human resource development, environmental sustainability, and private-sector development—which are essential to reduce poverty—are being given higher priority.” Similarly, the Bank took the unusual step of issuing a formal response to Bruce Rich’s Mortgaging the Earth. See Andrew Steer, “Errors and Misrepresentations: The World Bank Files a Rebuttal,” Earth Times, 14 May 1994.


22. A cursory search disclosed mention of Medha Patkar’s name in the English-language Western press no fewer than 130 times since 1987. See Patrick McCully, “Why I Will Drown: Medha Patkar Talks to Patrick McCully,” Guardian (London), 16 April 1993, p. 18. Representations from internationally renowned individuals may be especially important in countries that are less tolerant of the formation of associations such as NGOs to represent local interests. For example, Dai Qing, a celebrated journalist and noted advocate of democratic political reform, has become a principal spokesperson representing those opposed to the massive proposed Three Gorges Dam on the Yangtze River in China. See Dai Qing, ed., Yangtze! Yangtze!: Debate Over the Three Gorges Project, trans. Patricia Adams and John Thibodeau, (Ann Arbor, Mich.: Association for Asian Studies, 1994). Compare “Saving China from Itself,” Boston Globe, 1 June 1992, p. 10, an editorial opposing potential construction of Three Gorges Dam, which notes that “[t]here are no opportunities for a Medha Patkar in China, but the World Bank and other outside lenders should treat the Three Gorges project as if there were a Chinese Medha Patkar.” In 1992 Professor Wangari Maathai, an internationally recognized Kenyan environmental activist, was charged as a criminal for her supposedly political activities (See letter from Denis D. Afande, ambassador of the Republic of Kenya to the United States, to Michael L. Fischer, executive director, Sierra Club, 22 May 1992, Sierra Club files). All three women
have received the prestigious Goldman Environmental Prize, sometimes called the “Nobel Prize for the environment.”

23. Although presented sequentially for the sake of narrative clarity, the strategies described in this analysis can quite obviously be employed simultaneously, as they were in the case of the Sardar Sarovar Dam.

24. There is an ongoing legal controversy concerning the legality of direct instruction of executive directors by the governments of Bank member states. An opinion of the Bank’s general counsel asserts that member governments “are under an obligation not to influence the Bank’s President and staff in the discharge of their duties, and Executive Directors are under the duty not to act as the instrumentality of members to exert such prohibited influence.” See Ibrahim F. I. Shihata, *The World Bank in a Changing World: Selected Essays* (Boston: M. Nijhoff, 1991), p. 107 (quotation and analysis by World Bank general counsel of his own internal memorandum). According to this view, the Bank’s executive directors are “officers ... of the Bank” who “owe their duty entirely to the Bank and to no other authority.” “Articles of Agreement of the International Bank for Reconstruction and Development,” 27 Dec. 1945, art. 5, sec. 5, para. c, 60 stat. 1440, T.I.A.S. no. 1502, 2 U.N.T.S. 134. Consequently, the executive directors may not “interfer[e] in the political affairs of any member [or be] influenced ... by the political character of the member or members concerned” in the exercise of their voting rights because “[o]nly economic considerations shall be relevant to [the] decisions” of the Bank and its officers (Article IV, sec. 10). The memorandum consequently concludes that “[t]he Chairman of the Board [of Executive Directors] is entitled to rule out of order a political debate or statement which does not have a clear relevance to the economic considerations related to the subject matter under discussion.” (Shihata, *The World Bank*, p. 107). Nonetheless, the U.S. Department of the Treasury, citing the negotiating history and text of the Articles of Agreement, regularly instructs its executive director to the Bank. See Bartram S. Brown, *The United States and the Politicization of the World Bank: Issues of International Law and Policy* (London and New York: K. Paul International, 1992), p. 236.


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33. See, for example, House Committee on Banking, Finance, and Urban Affairs, Reform Measures Adopted by the World Bank: Hearing before the Subcommittee on International Development, Finance, Trade and Monetary Policy, 103d Cong., 2d Sess. 1994 (for the statement of Lori Udall, International Rivers Network, using Sardar Sarovar as example in urging withholding authorization of the U.S. contribution of $1.25 billion to the third year of the tenth replenishment of IDA).

34. House Committee on Banking, Finance, and Urban Affairs, Subcommittee on International Development Institutions and Finance, Multilateral Development Bank Activity and the Environment, 98th Cong., 2d Sess., Committee Print, 1984 (for the recommendations to the executive branch and MDBs concerning improved environmental performance, including consultation with affected public in project preparation).


36. See, for example, Wirth, Environment and the International Institutions, p. 22, quoting World Bank staffers describing “environmental imperialism” on the part of private groups in the United States and other industrialized countries, characterized as “commissars” putting pressure on Third World organizations “for politically correct purposes.”