

## **BIC Comments on Global Accountability Report 2007 made at One World Trust Global Launch via Video Conference**

**December 6, 2007**

### Intro

- Analyzing accountability standards of powerful global actors is a welcome, necessary, and daunting undertaking. **Commend** OWT for its challenging work in this area.
- BIC actively working toward **upward harmonization** of best transparency, participation, and accountability standards across IFIs. Work as member of the GTI. Accountability Report a helpful tool in our efforts.
- Welcome the **wealth of information** in Report, calling attention to policies we had not been aware of, can help influence our work.

### Issue 1: Where is locus of accountability?

- We received a comment from a partner organization in Pakistan:
  - o “I am surprised to know that accountability has moved up to the global level while it has almost been totally extinguished at the national and local level.”
- We note that state-based approaches for ensuring accountability of powerful global actors are limited and that we need strong global policies and processes. At end of the day, however, accountability needs to be **measured at point of impact**, that is, in national and local context.
- Must ensure that we do not confuse limits of state-based approaches with the **underdeveloped institutional capacity** that exists in many states to exercise basic forms of regulation.
- Our collective focus on finding much-needed **global solutions must complement**, not displace, even more urgent efforts to strengthen national processes and institutions in order to enforce greater accountability of powerful global actors (in both North and South).
- Definition of accountability used in Report process and internally focused. Understand reasons for this, but feel solely internally driven approaches to accountability **miss external dimension of ability of “holding to account.”** Inability to impose sanctions for violations undercuts accountability claims.
  - o Internal versus external accountability is something many groups wrestle with regarding the IFIs. As IFIs only subject to own internally defined policies and systems, with no real cost for violations of standards, can one call it accountability?
  - o Different situation for TNCs and NGOs, which can be brought to court and operate under different legal and regulatory environments (subject to legal redress, registration, licensing).

### Issue 2: Capabilities versus Practice

- As we have found in our work on strengthening transparency, accountability, social and environmental standards at IFIs, the adoption of strong **policies** and management systems

- is a necessary precondition for accountability, but is not to be equated with actual accountable **practice**.
- One World Trust clearly states that the Report measures the “**accountability capabilities**” of organizations by assessing policies and management systems and notes that:
    - o “To make sure accountability happens in practice, though, there needs to be constant vigilance that policy commitments are translated into action and accountability principles and values are embedded within the culture of the organization.” (73)
  - A **deep cleft** often exists between policy and practice and we caution that high scores on capabilities does not necessarily equate with practice.
  - We note that **ADB is rated amongst the top 3** of the reviewed organizations. It is encouraging that ADB has improved accountability capabilities over the past years.
  - Yet CSOs in countries that borrow from ADB have experienced repeated, consistent gaps in transparency, participatory processes, and access to the complaint mechanisms:
    - o **Energy Strategy** consultations, promised to post Stakeholder Comment Matrix after comment period ended in July. Five months later, no matrix, with rumors that the finalization of the Strategy is only days away.
    - o Local groups in Pakistan withdrew complaint in **Chashma** case given lack of transparency and participation.
  - We call on OWT to **incorporate a sampling of actual practice** into the rating scheme to capture the issues of implementation, though we understand this is not a simple task.

#### Scoring

- Does a rating above **50%** across three dimensions justify label of “high performer”? And why **3 of 4 rather than 4 of 4**?
- What if were orgs assigned **grades instead of percentage scores**. Would anything below 60% be considered a failing mark?
- Why do some orgs **score points if they do not meet any of the GPs**? IDB and the IsDB score 20% on transparency but do not meet any GPs)?

#### Transparency:

- disappointing that transparency is the least developed dimension. Nearly 70 countries have freedom of information laws, access to information enshrined in human rights instruments, **norms widespread**.
- **ADB does not deserve 100%** score for transparency. Understand that it meets the Report’s Good Practice principles and we applaud the ADB’s communications policy (having advocated for many of its provisions). But feel there is a major gap in scoring of IGOs:
  - o IGOs are **public bodies** governed by representatives of member states, but citizens of those states have little to no means of knowing how their governments are representing their interests when acting through these public institutions.
  - o In IGOs democratic accountability often broken by long lines of delegated authority, needs to be balanced with heightened transparency of decision making.

- Recommend that you develop **contextual indicators for access to decision making at IGOs** – substantive record of decisions that go beyond skeletal minutes IFIs began producing in 2005.
- Develop contextual indicators as you did with TNCs in the participation dimension concerning equitable “shareholder” control.

#### Participation:

- very welcome that include “**ability to influence decision making**” as an indicator for participation. So many participation processes are for show.
- Regarding external stakeholder engagement, need more **explicit linkage with transparency dimension**. To be meaningful, participation must be “informed” which requires that all relevant information be provided in a timely manner in accessible form and language.

#### Evaluation:

- crux of issue is whether results are internalized and inform future decision making. Note that this is one of the Good Practice Principles, but **how are you measuring this** (hopefully not just by measuring dissemination)?
- Dissemination of results vital, but not enough. **Can have evaluation without learning.**
- We have witnessed gaps in this regard at IFIs:
  - World Bank: earlier evaluations had pointed to lack of investment in rural agriculture, no action, now WDR getting some traction
  - In complaint realm, WB Inspection Panel claims: consistent lack of follow-up to ensure recommendations implemented, lessons not internalized.

#### External Complaint

- Again would like to make a point about the **gap between policy and practice**:
  - **IDB external complaint mechanism IIM** widely viewed as dysfunctional. IDB launched consultations on revising mechanism in 2005-6. Then proposal was buried into the nether world of the IDB’s bureaucracy. Lack of leadership, and IDB continues to have largely a paper mechanism that lacks legitimacy in eyes of CSO stakeholders.

#### Conclusion

- Recognize OWT undertaking a very challenging project.
- And we welcome findings that strong Good Practices often derive from external scrutiny and pressure. While institutions generally complain about “those pesky NGOs,” they can in part thank those same NGOs for higher scores.