

The World Bank’s Evolution Playbook Must Include Expanded Partnerships With Civil Society to Combat Waste, Fraud, and Corruption in the Projects and Programs It Finances

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The World Bank Group (the Bank) is embarking on an “[Evolution](#)” strategy through which it aims “to become a ‘better and bigger bank’ that is fit-for-purpose to respond to the most pressing needs of people and the planet”, in particular the global challenges of ending poverty and problems of climate change, pandemics, and conflicts. To achieve this, the Bank seeks greatly increased resources, perhaps a tripling of funds. However, to date, this new strategy has said very little about how the Bank intends to guard against the heightened risks of leakage. In the [stakeholder consultation](#) for the Evolution, many noted that the Evolution would magnify the challenge of identifying and preventing waste, fraud, and corruption (WFC) in public spending that is inherent to varying degrees in all countries that receive Bank financing. They have called for greater engagement with civil society, more emphasis on transparency and accountability, and improved governance and anti-corruption measures. Rigorous attention to plugging such leaks is essential to enhance value for money for both recipient and donor countries and critical for gaining donor support. In our view, it should be made an essential component of the Evolution proposal.

The Bank itself recognizes the scale of the problem. It estimates that corruption accounts for between ten to 25 percent of public spending globally and, as of September 26, 2023, up to \$67 billion of its funding for [active projects](#) (about 20 percent of the total commitments) are at ‘High’ risk of loss of funds due to fiduciary and/or governance shortcomings or, more simply put, corruption. In numerous reports, the Bank has noted that to address these risks, it is insufficient to rely on borrowers' transparency and accountability systems and its own procurement and financial management policies. It needs a more robust and innovative toolkit.

Addressing these concerns poses exceptional challenges. Corruption is intimately related to the exercise of governmental power. The proceeds of corruption are used both by political leaders to hold on to power and for the personal enrichment of public officials. Consequently, those in power perennially seek to undermine the official systems of accountability, while pretending otherwise. Ultimately, curbing corruption depends always and profoundly on citizen action, or the threat of such action, to hold public officials within a country accountable. This can only be achieved by strengthening the capacity of independent non-governmental organizations and

investigative journalism to act as watchdogs, monitor the implementation of public programs and projects, track public expenditure, and publicly expose malfeasance.

The Bank and its financiers should recognize their strong vested interest in fostering new approaches and partnerships to ensure that everything possible is done to prevent leakage. A rich literature demonstrates the efficacy of civil society actions to turn the spotlight on corruption, identify losses, and heighten accountability. Indeed, over the years, civil society has helped expose many cases of fraud, corruption, and other malpractice in Bank operations, which, in recent years, led to the Vice-President for Integrity to [say](#) *“We must also support the watchdogs and advocates on the ground, including civil society organizations and independent media, who often become aware of misconduct first when it occurs.”*

Yet “social accountability” is inadequately resourced and partnerships with civil society for heightening integrity in the Bank’s operations are under-utilized. Expanding such partnerships will not end the problem, but would undoubtedly be a powerful complement to other, more orthodox measures, especially regarding projects that are keenly focused on poor and marginalized people or are strongly decentralized. In such projects, formal audits or oversight missions are likely to miss the details that strip poor people of the benefits to which they have the right to enjoy. Forming such partnerships would be well-regarded by donors and, hence, will help the Bank’s resource mobilization efforts.

Currently, the Bank lacks an appropriate mechanism to support citizen oversight and social accountability activities by civil society organizations (CSOs), even though its anti-corruption strategy recognizes the vital role that CSOs play. It is no surprise that CSO engagement in anti-corruption work in Bank-supported programs is currently negligible. It is time to change this. Moreover, building CSO capacity could have a significant overflow impact as CSO social accountability work covers a wider spectrum of public programs, not just those supported by the Bank.

A recent [draft report](#) by Partnership for Transparency (PTF), supported by many other CSOs, recommends that, given the Evolution strategy, the time is ripe to establish a funding facility for CSO-led activities to detect and combat waste, fraud, and corruption. To avoid conflicts of interest, this citizen and CSO oversight work should be done independently of project implementing authorities; indeed, independent of both direct government and Bank oversight. This requires Bank support to be channeled and supervised indirectly through appropriate and politically sensitive non-governmental intermediaries (international, regional, or at the country level) that are better placed to identify and then provide funds, advice, know-

how, and networking opportunities to the most effective CSOs. Such “retailing” of small grants would also be managed cost-effectively and with the least bureaucracy.

The fundamental point is that where corruption is rife, ONLY independent civil society vigilance and action will stem this rot for the simple reason that government officials and political leaders have a strong vested interest in the status quo, since it hugely benefits them personally and is central to them maintaining power. They may accept donor funds for official mechanisms for “strengthening governance”, knowing that having control over these can ensure they are toothless in addressing the leakage from which they themselves benefit. Internal political pressure resulting from citizen action, whether non-governmental institutions, brave journalists, or independent academics and politicians, can make a profound difference and needs more support, especially from the World Bank, providing this ‘smartly’ designed, politically sensitive, and with minimal bureaucratic hurdles and oversight.

In its [draft study](#), PTF proposes the outline features of such a mechanism, emphasizing a decentralized grant management model (not unlike a number of Trust Funds hosted by, yet operating at arm’s length from, the Bank) in which funding decisions are made by a body comprising both international and developing country civil society and World Bank (and perhaps donor) anti-corruption specialists. Grants could be for specific project-focused oversight, scrutiny of a series of similar projects (typically multi-country), or strengthening civil society’s capacity for social accountability, such as training on how to inject effective citizen oversight into public procurement.

The financial, economic, and social benefits of expanding partnerships with CSOs to enhance value for money are compelling reasons for the Bank and other development partners to contribute to such a facility. Contributions from the Bank might also incentivize private donors to contribute to such a mechanism. The PTF draft study points out that if CSO-led accountability initiatives prevent as little as one percent of leakage of funds, the allocations would pay for themselves.

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