Disequilibrium in Development Finance: The Contested Politics of Institutional Accountability and Transparency at the World Bank Inspection Panel

**Abstract:** This paper examines the dynamic nature in which independent accountability mechanisms operate. Focusing on the World Bank, the paper argues that its Inspection Panel evolves according to internal and external pressures. In seeking to achieve equilibrium, and protect its authority and independence, the Panel has gone through several distinct phases: negotiation, emergence, protracted resistance, assertion of independence and authority, renewed tension and contestation. The core novelty of the paper is its application of concepts from outside of development studies—notably that of institutional accountability from the governance literature, and judicialization from the legal studies literature—to the topic of the Panel. Examining the Panel in this way reminds us that accountability mechanisms represent a hybrid of transnational governance influenced by requestors and project affected peoples, national governments, Bank managers, and other development donors. In such a complex and multi-scalar system, the IP is not only about delivering seemingly careful, well-researched investigation reports, it is also an entity seeking to ensure its own survival, an arbiter of its own brand of legitimacy and accountability. Effectiveness itself is a subjective, dynamic, and contested concept. Development finance becomes about both competing interests as well as competing conceptions and expectations of accountability.

**Keywords:** Independent Accountability Mechanisms; governance; development aid; multilateral development banks; finance; World Bank

**List of abbreviations and acronyms**

AIIB – Asian Infrastructure Investment Bank  
BRICS – Brazil, Russia, India, China and South Africa  
ER – (IP) Eligibility Report  
IAMs – Independent Accountability Mechanisms  
IBRD – International Bank for Reconstruction and Development  
IDA – International Development Association  
IP – World Bank Inspection Panel  
IR – (IP) Investigation Report  
MDB – Multilateral Development Bank(s)  
MR – Management Response (to filed Request)  
MRIR – Management Response to IP’s IR  
OPPs – Operational Policies and Procedures  
RAP – Resettlement Action Plan  
WBG – World Bank Group  
$ - Unless otherwise indicated, denotes United States Dollars

1. **Introduction**

   Independent Accountability Mechanisms (IAMs) make it possible for citizens and communities to challenge decisions made by multilateral development banks (MDBs) in the
context of their operations and projects. IAMs contribute to holding MDBs accountable for their decisions through independently administered processes intended to provide affected people with access to recourse and the possibility for redress (Hunter and Udall 1993; Hunter 2003; World Bank 2009).

Indeed, as Bradlow (1993-1994) and Hey (1997) argue, the creation of IAMs – with the Inspection Panel (IP) at the World Bank being the first such mechanism – represents a watershed moment in international legal jurisprudence since it creates a new forum where “private actors” who are in a non-contractual relationship with an international organization “can hold [the organization] directly accountable for the consequences of its failure.” Moreover, as Zaclberg (2012: 2) suggests, because of the creation of IAMs, the integration of principles such as justice or sustainability in development practice has become “an imperative rather than an aspiration.”

In theory, IAMs possess great potential in improving internal governance—or “vertical accountability” between staff and management or management and Executive Boards—as well as external legitimacy—or “horizontal accountability” between MDBs and external stakeholders (Shihata 2000; Woods & Narlikar 2001; Naudé Fourie 2016). By executing their mandates, which extend to functions such as problem-solving, fact-finding, compliance review, policy advice and monitoring (Bradlow & Naudé Fourie 2011), IAMs can spotlight missing or inaccurate information, uncover flaws in project risk assessments and designs, highlight institutional noncompliance with operational policies, and enlighten MDB management on structural issues and project-related problems. The World Bank’s IP in particular seemingly does this by expanding existing check-and-balance mechanisms so that external concerns can reach the Executive Board of the Bank directly without interference, and by creating a public record of how well the institution is complying with its own safeguards (Shihata 2000; Sovacool et al. 2013).
But if IAMs such as the World Bank’s IP have so much potential, how do they actually perform in practice? And, is the narrative of a benign, progressive IP battling against a malignant, oppressive World Bank Group (WBG) overly simplistic and at times misleading?

Questions about the effectiveness of the IP, and IAMs like it, have long been part of a larger debate about the accountability and legitimacy of MDBs and other intergovernmental actors (Circi 2006; Orakhelashvili 2005; Nurmukhametova 2006; Ananthanarayanan 2004; Carrasco & Guernsey 2008). However, opinions about effectiveness remain mixed and definitive answers remain elusive. In large part such elusiveness arises because stakeholders assume that “effectiveness” is generally understood to entail the alignment of specific aims with concrete outcomes, whereas in reality they hold conflicting expectations as to which accountability outcomes IAMs should realize.

In this paper, we assess whether the World Bank’s IP is effective at realizing the accountability related objectives for which it was originally created. The core novelty of the paper is its application of concepts from outside of development studies—notably that of institutional accountability from the governance literature, and judicialization from the legal studies literature—to the topic of the IP. We explore the dynamic nature of the institutional context in which the IP operates, as well as its body of practice over time. Contrary to a simple storyline of a “good” IP struggling against a “bad” WBG, this paper argues that, in the quarter-century since its inception, the Panel has evolved and continues to evolve in response to the often competing demands and expectations of “internal” stakeholder groups and “external” stakeholder groups (typically, project-affected people and local as well as international civil society organizations representing specific interests). In seeking to achieve a dynamic equilibrium among these conflicting demands and expectations, while simultaneously seeking to protect its de facto institutional independence and its authority vis-à-vis World Bank management and staff,
we argue the IP has gone through six distinct “phases” in its institutional history: “negotiation,” “emergence,” “protracted resistance,” “assertion of authority,” “renewed tension,” and “contestation.”

In proceeding on this path, we intend to make two contributions, one theoretical, and one empirical. Theoretically, analyzing the IP – what it does, how it executes its mandate and, indeed, whether it is “effective” – offers a unique chance to explore a new, hybrid form of governance involving IAMs that operate transnationally according to “quasi-judicial” principles (Kingsbury et al. 2005; Naudé Fourie 2009; Naudé Fourie 2012; Bradlow & Naudé Fourie 2014). Tignino (2016) notes that quasi-judicial bodies such as the IP are intended to both help resolve ambiguity and uncertainty by reducing transaction costs and also improve compliance and thus legitimacy. Such bodies can also promote “pluralized normativity” in seeking to influence a broader range of stakeholders (d’Aspremont 2011). The World Bank IP in particular reflects the principles of decentralized, “citizen-driven” accountability attempting to create more responsive systems of redress for people harmed by projects (Lewis 2012; Bradlow and Naudé Fourie 2014). In sum: examining the World Bank’s IP offers a rare chance to test the efficacy of an evolving form of transnational governance, while also gathering insight about the dynamics at play within the pluralist and complex development context in which bodies like the IP operate.

Additionally, the article makes an empirical contribution via its emphasis on the World Bank and the growing body of practice of the IP. From 1994 to 2016, the Inspection Panel has received 116 “cases” (or “Requests for Inspection”) as Figure 1 illustrates. This number may not appear very high when compared to the case load of most judicial bodies, but considering that a Request can only be filed by groups of affected people (indeed, it is not uncommon for a Request to be accompanied by thousands of signatures of individuals supporting it) and that those 116 cases have originated from 50 countries, the significance of this body of practice
becomes clear. Therefore, developing deeper insights about the operational processes, internal dynamics, as well as the accountability mechanisms of the WB is of global importance for both scholars of public policy and practitioners of development. Placing those insights in their broader “transnational development context,” moreover, with a more complex and complete narrative becomes even more salient as MDBs like the World Bank face increased pressure and competition from new entrants in the development finance market (Bradlow 2011).
Figure 1: Overview of Number of World Bank Inspection Panel Cases Received, 1994 to 2016

a. Per year

b. Per country
Source: Compiled by the Authors
2. Research Methods, Case Selection, and Theoretical Framework

The body of practice of the World Bank’s Inspection Panel (that is, cases filed at the IP since 1994 up to the end of 2016) serves as the primary source of data for our case study. This in itself is a contribution, as it differs from case studies using secondary data (such as Sovacool et al. 2017a; 2017b and Wade 2009) or assessments that focus on dominant individuals at the World Bank such as former President James Wolfensohn (Mallaby 2004). Contrasted with publications from the IP itself (World Bank Inspection Panel 2011, 2014, 2016, 2016), our analysis is also independent and without conflict of interest. Our primary source of data is therefore the archives and cases of the IP itself, supplemented with a critical review of the peer-reviewed literature.

The IP is part of a complex legal and institutional environment at the WB, which includes The Articles of Agreement of the IBRD and IDA – the constitutive treaties and associated rules and procedures underlying World Bank institutions, as well as various “Operational Policies and Procedures,” or OPPs, which are aimed at regulating the Bank’s development-lending operations. Naudé Fourie (2015: 99) adds that a critical component of these OPPs are the WBG’s “safeguard policies,” which are designed particularly to manage environmental, social, and economic risks. The “legal nature” of these OPPs is disputed – internal stakeholders generally emphasize their non-legal and internal nature (Shihata 2000; Schlemmer-Schulte 1999), whereas external and public stakeholders often envision them as a form of potent institutional law (Alvarez 2005; Boisson de Chazournes 2005). Bradlow and Naudé Fourie (2013) remark that the OPPs add an additional layer of hybridity on top of the IP’s dynamics, since they exist at the nexus between judicial and court institutions executing mandates of review, and citizen-driven institutions executing mandates of fact-finding and compliance.
The focus on World Bank-financed development projects, which in turn are the subjects of IP investigations, is justified by the continued significance of the World Bank – not only because of the size of its development-lending portfolio, but also because of its influence on policy development. As Bignami (2016: 326) observes, the WBG is “a leader among international development organizations … among global administrative bodies, the WB is widely credited with having made some of the most far-reaching reforms in favor of civil society.” Even critics point out that the WBG “is profoundly important infrastructure for the promotion of a rights-based approach to development” (Bugalski 2016a: 3). Moreover, the World Bank’s trajectory of civil society reform is fairly representative of other MDBs, and it arguably has the most comprehensive IAM (Kingsbury 1999; Bradlow and Naudé Fourie 2011; Gartner 2013).

The key theoretical framework guiding interpretation of our data is that of “institutional accountability.” Although it is not the purpose of this study to exhaustively explore the topic of accountability, a few themes from the literature deserve mentioning – starting with definitional aspects. Most generally, accountability can be defined as the process by which “actors record and disclose their behavior, in the broadest sense of the word, to an external audience (forum or principal)” (Schillemans and Busuioc 2015). Kim and Lin (2014) argue that accountability can also be conceptualized as consisting of three interlinked elements: responsibility, answerability and enforceability. The authors define “responsibility” as referring to the “respective responsibilities of each actor or set of actors”, “answerability” denoting “to whom to turn to for a reasoned justification for actions”, with “enforceability” referring to “who ensures appropriate corrective or remedial actions are taken”. IAMs such as the IP have the potential to enhance all three elements within the context of MDB development-lending operations, although the “enforceability” aspect remains, perhaps by intent, the weakest part.
Systems dynamics and constitutional legal theory provide some insight into the factors driving institutional accountability. Naudé Fourie (2009; 2012) conceptualizes these matters in terms of the assertion of quasi-judicial authority or power and independence. This model of “quasi-judicial oversight or review” incorporates both the nature of quasi-judicial power (what it entails, how it is performed) and its outcomes (the results to which it contributes). The model also reflects the dynamics existing between the quasi-judicial body and broader political organs (in this case, the IP, the Executive Board and World Bank management, respectively).

This model of quasi-judicial review is based on a hypothesis that there is a significant degree of functional equivalence between courts exercising a mandate of judicial review and IAMs executing a mandate of compliance review (Naudé Fourie 2009; 2012). Much of this equivalence lies in how such review bodies execute their mandates, but it is also reflected in the dynamics that exist between judicial or quasi-judicial review bodies and the legislative, executive, and administrative political institutions within the system (Koopmans 2003).

The model describes these dynamics in terms of two related variables: independence and authority. Firstly, judicial bodies strive to protect their de facto independence, in particular from internal influence – i.e., from political institutions whose decisions ultimately form the subjects of their review. Secondly, judicial bodies tend to assert and expand their authority vis-à-vis those political institutions – a phenomenon that is sometimes described as “judicialization” (Ely 1980; Hirschl 2004). These variables typically function in a positive or reinforcing feedback-loop – thus, if one variable changes the other changes in the same direction (Sterman 2000). In other words, if a judicial body expands its degree of judicialization, its degree of independence also strengthens. Or, if its influence weakens, its independence is adversely affected as well.

Judicial bodies have an incentive to expand their de facto independence and influence (“power”); however, they are unlikely to do so indefinitely. This is because there are “limits” to
the “success” of an expansion strategy due to backlash from various limiting factors (Anderson & Johnson 1997). These limiting factors can include restrictions caused by institutional budgets, heavy caseloads, lack of cooperation from political institutions (e.g., refusal to enforce judgements/act on findings), and even actions specifically aimed at cutting judicial bodies “down to size” (e.g., reducing its mandate, or by “packing the bench”) (Naudé Fourie 2009). As a result of such limiting actors, the degrees of independence and judicialization of judicial bodies typically retract to lower levels – thus, causing a polarity of change from positive to negative.

On the other hand, decreases in independence and judicialization are also likely to trigger backlash from (other) limiting factors – mostly notably, the credibility of the judicial body will suffer, which could make institutional cooperation less likely and could also have a negative impact on whether external parties view it as an effective avenue for obtaining recourse and redress. If the judicial body is to survive, in other words, it would have to take actions that would, once again, reverse the polarity of the feedback-loop – thus, increasing its degrees of independence and judicialization.

In a graphical representation of such behavior over time (Anderson & Johnson 1997; Sterman 2000), quasi-judicial review can be observed as a fluctuation between higher and lower degrees of independence and judicialization – or, what might be described as fluctuations between positions of “restraint” and “activism” (Roosevelt 2006; Lindquist & Cross 2009). To guarantee long-term survival and efficacy, a (quasi-) judicial body is likely to seek equilibrium within the system. If plotted as presented by Figure 2, this can be illustrated as a judicial body’s evolution along a line of general progression.

Figure 2: A Model of Judicial Authority and Independence
This model emphasizes a dynamism of power and authority. In the words of Albie Sachs (former justice of the South African constitutional court):

"[i]t would seem, then, that no general theory requiring either judicial maximalism or judicial minimalism can usefully be advanced. There is a time to be cautious and a time to be bold, a time for discretion to be the better part of valour and a time for valour to be the better part of discretion. And it would appear that there is no logic intrinsic to the judicial function itself that can tell us when the clock strikes for valour and when for caution. The question then becomes not one of whether but one of when [...]." (Sachs 2001, at 90)

In other words, judicial bodies do not operate in a vacuum – their actions (and inactions) have consequences (which are not always intended). This, in turn, might require some strategic behavior that further alters the complex system. We see these dynamics at play throughout the history of the IP.
3. The Institutional Evolution of the World Bank Inspection Panel

Although the precise drivers behind the creation of the IP are dynamic and difficult to isolate historically, the need for such a mechanism has existed perhaps since the very establishment of the WB. When it was created at the Bretton Woods Conference of 1944, the WBG was intended to serve as an organization that would promote the reconstruction of European economies after World War II. However, the breakdown of the Bretton Woods exchange-rate system created serious economic issues for many developing countries, especially those in debt, and the WBG began to morph into its new mission of a funding institution as well as a development and aid agency. This new mission involved a portfolio spread across tasks as diverse as post conflict reconstruction, biodiversity, crime, and public participation in development planning. This expanded mission, however, generated significant tensions, and WBG financed projects encountered resistance from local communities or generated deleterious social and economic impacts (Sovacool et al. 2017a).

In this section, we tell the story of the IP in terms of six evolutionary phases: “negotiation”; “emergence”; “protracted resistance”; “assertion of independence and authority”; “renewed tension”; and “contestation”. Much of the Panel’s history has been dealt with extensively elsewhere – and this especially concerns the periods covered by the first four phases (Shihata 2000; Van Putten 2008; Clark et al 2003) as well as a focus on individual members of the IP, notably its chairs: Gonzalo Castro de la Mata (current), Eimi Watanabe (2013-2014), Alf Jerve (2012-2013), Roberto Lenton (2009-2012), Werner Kiene (2007-2009), Edith Brown Weiss (2003-2007), Edward S. Ayensu (2002-2003), Jim MacNeill (1999-2001), Alvaro Umaña-Quesada (1997-1998), and Richard E. Bisse (1996-1997). Although such individuals have exerted their influence over the shape and structure of the IP, here we shall pay greater attention to the broader institutional dynamics as well as more recent developments reflected in last two
phases. We also illustrate how the IP both arose out of contestation and propagated contestation itself.

3.1 Negotiation (1980s to 1993)

The germination for an IP in particular began in the 1980s when nongovernmental organizations began criticizing the WBG for violating its own policies concerning involuntary resettlement (established in 1982), tribal peoples (created in 1982), and environmental impact assessment (formed in 1988) (Bignami 2016). The Sardar Sarovar Dam and Canal projects on the Narmada River (or the “Narmada projects”) in India served as a flashpoint for these concerns, as they involved the forced relocation and resettlement of more than 120,000 people and induced significant environmental harm (Wade 2011). The largest of these, the Sardar Sarovar Dam, submerged 37,000 hectares of land and required the evacuation and resettlement of 245 villages, almost all of them home to indigenous peoples, across the states of Gujarat, Maharashtra, and Madhya Pradesh. The Canal network, similarly, necessitated the clearing of 80,000 hectares of land for construction (Clark 2003). The WBG approved funding for these projects throughout the 1980s but continued to make disbursements even after civil society groups raised several social and environmental concerns. By the early 1990s, the WBG was “under attack” (World Bank 2003) and had become “a lightning rod for transnational protest” (Fox 2003). An early NGO proposal called for the creation of a permanent independent mechanism that would respond to and investigate complaints from project-affected peoples (Hunger and Udall 1993; Wold and Zaelke 1992).

As a response to the ensuing outcry, then WBG President Barber Conable created an independent commission to review the Narmada projects in 1991 to be headed by Branford Morse, a retired senior administrator from the United Nations Development Program, and
Thomas Berger, a former Supreme Court Justice from British Columbia, Canada. The commission released a report, informally known as the “Morse Commission Report,” in 1992 and identified “serious compliance failures” by the WBG as well as “devastating human and environmental consequences of those violations” (World Bank 2009). Follow-up investigations across the WBG’s entire portfolio implied that managers habitually failed to carry out the organization’s goals of poverty alleviation and environmental protection (Werlin 2003). Even the WBG’s own 1992 internal review of its lending practices, known as the Wapenhans Report, concluded that the WBG was “suffering from a performance crisis” with almost 40 percent of projects scoring “unsatisfactory” ratings, widespread defaults on loans, and an overall “culture of approval” that prioritized making loans at the expense of local communities and preserving ecosystems (Clark 2003). Part of the explanation was that managers were rewarded for moving as many projects as possible forward but were not penalized if those projects suffered from poor design or shortcomings in accommodating local peoples. The implication was that the WBG’s violations of its procedures symbolized a systematic failure on the part of bank management (World Bank 2009).

That said, the idea for an IP was not universally supported within the WBG – not by all prominent members of Bank Management, and not by members of the Executive Board (in particular those representing borrower countries), who saw in an IP procedure the potential for placing the blame on Management and staff or borrowers for project failures. This issue, and the pressure it placed on the IP to placate both Management and the Board (while also safeguarding at least a minimum degree of independence) would resurface time and again, as will be illustrated throughout multiple phases to come.
3.2 Emergence (1993 to 1994)

The Executive Board established the IP in September 1993 as an “Independent Accountability Mechanism” to commence operations on August 1, 1994. In the years following its inception, different accounts would emerge describing the circumstances surrounding the Panel’s establishment. What is particularly interesting about these accounts is the different emphasis they place on the conclusive role played by external versus internal stakeholder groups. Shihata (2000: 1-2), for instance, recognized that internal “concerns” following the publishing of the Wapenhans Report “coincided with, and were influenced by sources inside and outside the Bank”, but nevertheless emphasized that “the initial concern was a managerial one.” Other accounts underlined that “public pressure exerted by external stakeholders, notably, civil society organizations based in the United States and Europe” as the decisive factor in the Panel’s establishment (Naudé Fourie 2016, at 84; Bradlow 1999; Van Putten 2008). Hansungule criticized Shihata’s account as an effort “to underplay the role of external pressures towards [the Panel’s establishment]”, which “is only grudgingly acknowledged and only in a few lines while attention is lavishly given to the Bank official’s roles” (Hansungule in Alfredsson & Ring (Eds.) 2001, at 148-149).

What these competing narratives also reveal, however, is that the IP would come to fulfill two, often-competing, roles: “to enhance the efficiency of the Bank’s operations and to meet the demand for greater transparency and accountability” (Baimu & Panou in Cissé et al. (Eds.) 2012). This dual purpose is reflected in formal descriptions of the Panel’s mandate. For example, the Bank has explained that the mandate of the IP was to provide a forum “for people who believe that they may be adversely affected by Bank-financed operations to bring their concerns to the highest decision-making levels of the World Bank” (World Bank 2009). The IP notes that it operates “as an independent forum to provide accountability and recourse for communities
affected by Bank-financed projects, to address harms resulting from policy noncompliance, and to help improve development effectiveness of the Bank’s operations” (World Bank Inspection Panel 2011). In the words of former WBG president, James Wolfensohn:

\begin{quote}
When the Board of Directors of the World Bank created the [IP, it was] an unprecedented means for increasing the transparency and accountability of the Bank’s operations. This was a first of its kind for an international organization—the creation of an independent mechanism to respond to claims by those whom we are most intent on helping that they have been adversely affected by the projects we finance. By giving private citizens—and especially the poor—a new means of access to the Bank, it has empowered and given voice to those we most need to hear….The Inspection Panel tells us whether we are following our own policies and procedures, which are intended to protect the interests of those affected by our projects as well as the environment (Quoted in Sovacool 2013: 75).
\end{quote}

Although the idea was hotly debated, eventually the Board decided to establish the IP in order to “do the thing which board members just couldn’t do, which is travel out to the field, talk to NGOs, receive complaints, and ensure that management would do what it had promised to do” (Van Putten 2008: 346).

To assuage its member countries and borrowing governments, the WBG created its IP to consist of three separate “circles.” The first, and central circle, were the three individual Members of the IP, each from a different member country, appointed for a non-renewable five-year term. After completion of their terms, IP Members could not be employed by the World Bank again. Members were selected on the basis of their “ability to deal thoroughly and fairly with the requests brought to them, their integrity and their independence from Bank Management” (World Bank 2009). The second circle consisted of an Executive Secretariat and a small number of support staff created to help advise and assist the Members in executing their duties. The third circle consisted of internationally recognized experts to assist the IP with specific investigations, providing Members with reliable information in fields as diverse as anthropology, forestry, and hydrology.
The first such investigation in 1994 concerned the proposed Arun III Hydroelectric Project in Nepal. The Nepal Arun III investigation demonstrated the potential power of the IP, and amplified the hopes – of external stakeholders, in particular – that it would succeed (Bradlow 1996). The IP’s investigation of the $800 million project revealed that the Bank had failed to observe proper requirements for relocation and resettlement, and that the project had tenuous economic justification given the fragile state of Nepal’s economy. After considering the IP’s report, (then) Bank President James Wolfensohn completely terminated the Bank’s support for the project.

Interestingly, however, in their initial response to the Request, Bank Management had essentially rejected the veracity of the Requesters claims – and, indeed, had challenged the eligibility of the Request, a pattern that would reoccur over the years to come (Naudé Fourie 2014).

3.3 Protracted resistance (1995 to 1999)

After periods of negotiation and emergence, the next few years of the IP’s story were tumultuous. The period following the Nepal Arun II investigation in 1995 up to the filing of the China Western Poverty Reduction Project Request in 1999 saw the reemergence of intense and protracted resistance against the IP from within the WBG – often, pitting borrower states (objecting against the Panel, since it was viewed as a means of investigating borrowers) against donor states (supporting the Panel as a means of holding Management to account and improving development effectiveness). Bank management, on the other hand, strengthened its pattern of denying the substance of the claims in the initial Request – and simultaneously submitting Action Plans aimed at correcting shortcomings – while also contesting the eligibility of those claims. As Figure 3 depicts, management has consistently challenged the eligibility for
investigation requests, with at least 60% of the cases filed at the IP challenged between 1995 and 1999.

**Figure 3: Overview of WB Management Eligibility Challenges, Per Year (1994-2016)**

In practical terms, protracted resistance from multiple parts of the WBG – within the Executive Board, among member states, among managers – meant that only two significantly limited investigations were launched during this time (*Argentina/Paraguay: Yacyretá Hydroelectric Project and India NTPC I Power Generation Project*). Reflecting on this period, Clark (2003) notes that:

*Bank management resented the panel’s scrutiny and strongly resisted being held accountable. Management responses to the Inspection Panel claims tended to deny policy violations and deny responsibility for problems identified in the claim (usually blaming the borrowing government for the problems instead). Management responses also tended to challenge the eligibility of claimants and propose “action plans” as alternatives to panel investigations.*
Although such thinking simplifies the storyline to that of a narrative of a heroic IP battling against a monstrous WBG—one that we will challenge in the discussion and conclusion—it does underscore how the Panel invariably started to lose credibility among external stakeholder groups. This loss of credibility is reflected, for instance, in Dunkerton’s (1995) criticism that the Panel was nothing more than a “public relations tool for the Bank and a political liability for borrowing nations.”

This period was not without attempts to reform – and, therefore, salvage – the IP. A first round of reforms – spearheaded by internal actors such as Ibrahim Shihata (Former World Bank Senior Vice President and General Legal Counsel) and supported by external civil society actors – started in 1995. This was followed by a more extensive round that concluded in 1999 and culminated in a set of “clarifications on certain aspects of the Inspection Panel Resolution” (incorporated in the World Bank Operations Manual, BP 17.55, Annex A, B and C). Amongst other things, the clarifications affirmed the “importance,” “independence,” and “integrity” of the IP and instructed project managers and staff to base their recommendations on the findings of the Panel, instead of preempting Panel investigations by submitting “Action Plans” after a Request was filed.

Significantly, the clarifications reflected a compromise that was reached concerning the Board’s authorization of investigations, which, in practice, is done on the basis of consensus. Management’s early submission of remedial action plans and the Panel’s extensive eligibility reports invariably resulted in discussions about the merits of the case – however, without it being based in a formal investigation. Under these circumstances, it became impossible to reach consensus within the Board, especially as those Board members representing borrowers perceived the IP process as a smokescreen for investigating borrower conduct. The 1999
clarifications broke this stalemate by requiring early discussions to focus strictly on the procedural elements of the process. “If the Panel so recommends,” the Board affirmed, “the Board will authorize an investigation without making a judgment on the merits of the claimants’ request, and without discussion,” except with respect to “technical criteria for eligibility.”

In practice, the Panel’s recommendation on the need for an investigation would also be considered on the basis of the Board’s “no-objection procedure” (a default where cases proceed unless the Board objects, rather than needing approval on a case-by-case basis), thus limiting the scope for extensive debate within the Board (Shihata 2000; Bradlow and Naudé Fourie 2013). These reforms set the stage for a next period to commence.

3.4 Assertion of independence and authority (1999 to 2008)

If the reform initiatives of the previous period “set the stage,” the period from 1999 to 2008 can be viewed as one where the Inspection Panel “took to the stage” with a marked degree of assertiveness. Indeed, the first case marking the beginning of this period, China Western Poverty Reduction Project, served as a litmus test for the strength of the Board’s commitments. Naudé Fourie (2012) suggests that during this time, the IP not only asserted its institutional independence, but also expanded its functional mandate beyond its original scope and remit by asserting its “quasi-judicial authority.” The IP increased its influence, moving beyond a mere role of “fact-finding on behalf of the Board,” by, for instance, adopting procedural innovations (such as the practice of deferring its recommendation on investigation, allowing Management more time for addressing problems raised in a Request) and employing expansive interpretation techniques – often with the effect of limiting the discretion of Management in applying the OPPs (Bradlow & Naudé Fourie 2013).
This period also marked a few prominent milestones in the history of the Panel – notably, the first instance in which the IP challenged the (at the time) long-standing position of the World Bank on human rights (i.e., that the Bank’s mandate, as per its Articles of Agreement, only extends to social, economic and cultural rights, not civil and political rights). The Panel explicitly questioned this argument in the 2001 Chad Petroleum Pipeline case, asserting that it “felt obliged to examine whether the issues of proper governance or human rights violations in Chad were such as to impede the implementation of the Project in a manner compatible with the Bank’s [operational] policies” and that the IP was “convinced that the approach taken in our Report, which finds human rights implicitly embedded in various policies of the Bank, is within the boundaries of the Panel’s jurisdiction.”

However, the potential for tension remains embedded in the Panel’s mandate – and in the way in which the Panel chooses to execute it. The China Western Poverty Reduction case provides a noteworthy example. At the time, the Panel’s preliminary (eligibility) review and subsequent recommendation for a full investigation occurred in spite of Chinese objections (Shihata 2000). The Board authorized this investigation, and the IP’s full investigation and subsequent report – which detailed various design shortcomings and non-compliance – were hailed by many (external) stakeholders as a resounding victory (Clark et al. 2003). Bank management’s response, however, was highly critical of the IP for disregarding effectiveness and efficiency considerations (Bottelier 2001; Van Putten 2008). As for China, the Board’s adoption of the IP’s Western Poverty Reduction investigation report also marked the formal withdrawal of its financing application. China affirmed that it was:

*Greatly concerned about what has become clear in this process – and which constitutes a great challenge facing this institution. Namely the fact that compliance policies have been interpreted by some to an extreme and used for political purposes. By such action the Bank’s mission – particularly its development effectiveness – has been jeopardized.*

The Panel’s relative “success” during these years therefore coincided with increased competitive pressure on the Bank, pressure increasingly involving prominent borrowers such as China, India and Brazil.

3.5 Renewed tension (2008 to 2013)

The IP’s performance seems to have peaked around the period of 2007 – 2009, as reflected in the number of requests filed and registered, in the number cases where Management challenged the request’s eligibility for investigation, and in the actual investigations performed by the Panel. Around the same time, however, tensions – surrounding the IP and its relationships with the Bank’s Executive Board and Management, as well as the Bank’s external stakeholders – also started to resurface. These tensions were reflected in increased challenges from Management about the eligibility of requests for investigation (around 64%, on average, between 2010 and 2013). Increasingly, these eligibility challenges focused on, what Management saw, as the lack of a causal link between (alleged) harm and World Bank actions or omissions.

In the West Bank/Gaza Red Sea case, for example, WB management even expressed “great concern any suggestion that Bank support for studies, which in no way commit the Bank to go forward with financial support for a potential project, could be eligible for investigation”, particularly since “the mere generation and dissemination of knowledge in the form of the Study Program, which is not a Bank project, cannot result in direct material harm” (Management Response to Request, para. v). Moreover, the existence of a “plausible causal link” between World Bank actions (and omissions), and actual or potential harm also formed a major point of contention between Bank management and the IP in Ethiopia Protection of Basic Services Program Phase II Additional Financing and Promoting Basic Services Phase III Project. There, the IP’s investigation and Management’s subsequent recommendations in 2012 triggered
significant criticism among the NGO community. Inclusive Development International (2015) published a scathing report accusing the Bank of having “whitewashed damning evidence of widespread human rights abuses in connection with its flagship program in Ethiopia” and shelving evidence obtained during the IP investigation “in order to exonerate the bank and one of its biggest clients of responsibility for mass forcible population transfers that occurred between 2010-2013.”

During this period, as Bulgaski (2016) comments, Bank management became “extremely defensive” and increasingly challenged the legitimacy of the IP’s findings. The 2012 South Africa Eskom Investment case provides another notable example. In its response to the IP report, Management rejected all IP findings of non-compliance and identified no corrective actions – a deviation from previous Management responses (Naudé Fourie 2014). Moreover, with respect to the Panel’s comments on “systemic issues,” Management noted that since such comments fell outside the Panel’s mandate, it would offer “no comment” on these matters.

Furthermore, the period between 2008 and 2013 saw a marked expansion of the Panel’s practice of deferring its recommendation as to whether a full recommendation was warranted. On the one hand, the Panel’s practice of deferral can be seen as a reaction to external criticisms that the IP process did not provide effective remedies for project-affected people (Circi 2006; Orakhelashvili 2005; Nurmukhametova 2006; Ananthanarayanan 2004; and Carrasco & Guernsey 2008). By finding the Request “eligible” for investigation (in terms of the “technical eligibility criteria”) but deferring its final decision on whether to recommend a full investigation, Bank management was afforded the opportunity to address the specific concerns of Requesters. On the other hand, such a deferral (in some cases, multiple deferrals) arguably eroded the Panel’s institutional authority and, ultimately, its external credibility. Moreover, after 2010, there was a decline in the number of full investigations conducted by the IP (See Figure 4).
In 2012, the WBG launched a controversial review of its full suite of safeguard policies, noting that it needed to “better align the policies with the changing needs and aspirations of borrowers, the external context, and the business of the Bank” (World Bank 2012: 1). Also within this period, the IP announced that it would be reviewing its own Operational Procedures – a process that culminated in the adoption of a revised procedure in early 2014 that changed the way the IP operated.

3.6 Contestation and eroding credibility (2013 to present)

The new IP operating procedure (effective from April 2014) resulted in a number of significant changes that are both indicative of contention and, arguably, might result in the erosion of the IP’s institutional independence and authority.

A first change concerns the adoption of an “early solutions” Pilot approach in 2013. For cases included in the Pilot – on agreement with Requesters and Management – the Panel would
postpone Registration (and thus, the determination of technical eligibility and the necessity for an investigation) in order to allow Management to interact with Requesters and attempt to address their specific concerns. As of late 2017, only two cases had been processed as part of the Pilot approach – both ending in non-registration of the case on the basis of the conclusion that the Requesters claims had been addressed to their satisfaction, and in the avoidance of an investigation. Several civil society organizations have expressed their concern with the procedural safeguards extended to Requesters in terms of the Pilot, especially in light of the stark power-imbalances that exist between Requesters and Bank management (Bugalski 2016).

Additionally, the avoidance of an investigation could mean that serious policy non-compliance would remain unchecked – and might indeed result in missed opportunities for institutional learning. The first Pilot case in 2013, *Nigeria: Lagos Metropolitan Development and Governance Project*, would appear to substantiate such arguments. The case concerned, amongst other things, the forced eviction of a slum community and inadequate compensation for involuntary resettlement – issues that the Bank’s policy on Involuntary Resettlement specifically aims to prevent. The Panel’s preliminary (and invariably, cursory) investigation into the facts revealed several indications of serious non-compliance with the policy on Involuntary Resettlement – notably, the retroactive design and implementation of the Resettlement Action Plan (policy stipulates that Resettlement Action Plans must be developed during the initial stages of the project, involving active participation of project-affected people). Nevertheless, in spite of the Panel commenting on such “major shortcomings”, the process ended in non-registration – even as the Bank was taking action to address Requesters’ claims with regards to compensation (Bugalski 2016a, 2016b).

A second change adopted during this period concerns the admissibility criteria the IP applies when considering the initial registration of a case. Significantly, the revised operating
procedures now included the requirement that “[a]t least one component of the project/program which is the subject of the Request” could “be plausibly linked to the alleged harm” (Inspection Panel Operating Procedures 2014, para. 25(c)). Up to this point, such considerations would only have formed part of the Panel’s eligibility determination, following registration.

Between 2013 and 2016, about 56% of IP claims received were not registered (compared with an average rate of 16% non-registration between 1999 and 2012), as Figure 5 depicts. The lack of a “plausible link” between alleged harm and World Bank non-compliance continues to feature prominently among the reasons provided for non-registration – even as the Panel had in the past, on several occasions, asserted that the determination of a causal link between alleged harm and non-compliance was something that could only be reliably determined on the basis of an investigation.

**Figure 5: Overview of Inspection Panel Requests Received but Not Registered (1994 to 2016)**

Source: Analysis by the authors
Furthermore in the 2015 *Haiti: Mining Dialogue Technical Assistance* Request, the IP explicitly reversed its earlier conclusion on the interpretation of a “project” as determined by the 2011 *West Bank/Gaza Red Sea – Dead Sea Water Conveyance Study Program* case. Therefore, the IP concluded “that the issues of harm alleged in the Request may not be the subject of a Panel's investigation, which is intended to present Panel's findings on whether the Bank has complied with all relevant policies and procedures and whether the harms alleged in the Request have totally or partially resulted from Bank failure to follow such policies and procedures.” The Panel acknowledged that, in the *Dead Sea Water case*, it had “ruled that under some conditions [a project financed by means of a Bank-Executed Trust Fund] can be covered under the Panel's Resolution and thus become eligible for an investigation, the subject of this particular Request [was] not eligible” (ER, para. 26).

On the other hand, the 2017 *Uganda Transportation Section Project* Request serves as a vivid illustration of the continued need for a body such as the IP, and the continued influence of external pressure. As a result of this case being filed at the IP, Bank management became aware of serious allegations of sexual misconduct by road workers associated with the project, and undertook concrete action to remedy the situation, including suspending and eventually cancelling the project (IR, at v-vii) – even before the Panel investigated the claims. Nevertheless, the Board authorized a full IP investigation into the project, whereas Bank management, in response to the Panel’s findings, arranged for the victims to receive support from the Bank’s Emergency Child Protection Response program (First Management Progress Report, 30 March 2017).
4. Discussion: The Contested Politics of Institutional Accountability

A few patterns emerge when one considers the different phases of IP in their entirety. Firstly, Bank management and the Board have varied in their reactions to the IP – ranging from discomfort to explicit dissatisfaction, to periods of greater institutional credibility with the Board and, in particular, with Management (Naudé Fourie 2015). Secondly, at times, the IP has been able to assert its authority strongly – and perhaps even comfortably – vis-à-vis Management and Board; at other times, however, the Panel has operated in a defensive and/or reactive mode, taking explicit measures to defend its institutional independence or by reacting to criticisms voiced by internal stakeholders (such as the need to take development effectiveness and efficiency matters into consideration) and external stakeholders (such as the need to ensure that the IP mechanism results in recourse and redress for project-affected people).

Indeed, when considering the IP’s behavior over time, it would appear that the Panel fluctuates between periods of “activism” and “restraint.” Temporally, the six phases of IP development demonstrate punctuated equilibria — distinct and often nonlinear shifts — in the exercise of organizational power, marked by several ups and downs. To paraphrase from the analysis presented above: the negotiation and onset of the emergence phases were marked by a strong assertion of IP authority, which was followed by a constant struggle for independence and impartiality as the IP’s power waxed and waned from inside and outside the WBG during the period of protracted resistance. This, in turn, changed during a prolonged period in which the IP asserted its institutional independence and authority – which, again, was followed by a period of renewed tension, resulting in a period of contestation. This last period, in combination with an erosion of the Bank’s safeguard principles and a more myopic focus on protections for project affected peoples, would appear to beg the question whether the IP’s own credibility – among internal and external stakeholders alike – is not also being eroded significantly.
In executing its development mandate, the WBG has to balance a wide and diverse range of interests – many of which have the potential to directly clash. This potential for conflict is already reflected in the Bank’s mandate, which, as Bradlow observes, is dual in nature. As an intergovernmental organization, the Bank’s development mandate is public, originating from its member states (Bradlow 2011) and encompassing matters of that are of “common interest” (Hey 2004). But there is also a commercial aspect to the Bank’s mandate. As a participant of the financial markets the Bank has to maintain its excellent credit rating by doing what is expected of all commercial entities: growing revenue while reducing costs (Bradlow 2011). The public and commercial aspects of the Bank’s mandate do not always fit comfortably – and the potential for conflict is evident, for instance, in the criteria within the World Bank’s performance scorecard (World Bank 2014; Naudé Fourie 2016).

Moreover, the potential for conflict between public and commercial interests have only deepened with the emergence of new global rivals such as the New Development Bank headquartered in Shanghai (led by Brazil, Russia, India, China and South Africa), created with the purpose of “mobilizing resources for infrastructure and sustainable development projects in BRICS and other emerging and developing economies” (Sixth BRICS summit, 2014). The Asian Infrastructure Investment Bank (AIIB) is another rival, one launched in 2014 and being championed by China, its largest shareholder. Together with the recently launched Silk Road fund, the AIIB is seeking to make China the premier Asian infrastructural financier (Kamal and Gallager, 2016).

To be sure, the AIIB’s current committed capital is only $200 billion, which is relatively small compared to projects funded by the Asian Development Bank and the World Bank. However, the AIIB’s presence, together with other emerging infrastructural financiers, directly challenges the WBG’s ability to secure new projects in the Asia Pacific region, currently the
largest market for infrastructural projects. Significantly, a major attraction of these new financiers is their commitment to provide loans with as little conditionalities as possible – and they especially tend to be free from the type of conditionalities associated with transparency, good governance, and social and environmental safeguards that have become a hallmark of WBG-financed projects. As such, the WBG may feel particularly threatened by China’s rising role as development-lender, with commentators expressing the concern that Chinese practices challenge hard-won reforms in the areas of sustainable development, aid and official finance (Brautigam, 2011, p.753).

Consequently, WBG management may have concluded that without substantial institutional reform – including significant adaptation of the OPPs (including the social and environmental safeguard policies) – the WBG will be marginalized and made irrelevant by these new players. Such a development, in turn, would significantly reduce the geopolitical and economic influence yielded by the Bank and its key sponsors (notably, the United States, Europe and Japan). The adoption of a new Environmental and Social Framework in August 2016 (preceded by an extensive consultative process involving internal and external stakeholders) signifies the World Bank’s response to these pressures.

While it remains too early to form conclusions as to how this framework will be applied consistently in practice – and interpreted by the IP – various commentators and civil society actors have expressed several concerns, including worries that the strength of the IP’s remit will effectively be weakened. The new safeguards framework comes with some strengths—it engenders greater flexibility and negotiability concerning applicable standards, which could lead to more culturally appropriate or acceptable projects. Project appraisal requirements are significantly reduced to expedite approvals, which can result in poverty reduction efforts getting implemented more quickly. The new framework also places expanded emphasis on borrowers’
(and less on the Bank’s) responsibility for assessing risk, implementing safeguards, and monitoring progress.

However, these benefits are achieved only by diluting other elements of power and authority. Institutional accountability has been shifted to other parties, the responsibilities of the Bank becoming more flexible and discretionary. “[A]s the Bank strives to recast itself as an attractive lender to governments and public-private partnerships,” Bugalski (2016) warns, “there are emerging signs that it will sacrifice its system of accountability to project-affected people that it has built – albeit on wobbly foundations, and imperfectly – over the past three decades.” Or, as a former bank official remarked in 2015, “I am saddened to see now that pioneering policy achievements of the bank are being dismantled and downgraded … The poorest and most powerless will pay the price” (as quoted in Chavkin and Anderson 2015).

In other words, the new paradigm at the WBG could imply that social and environmental protections should not obstruct an economic and development agenda. The IP’s mandate, on its part, also reflects this duality – and the potential for conflict underlying it. Viewed from the perspective of internal stakeholders, the IP is a fact-finding body, acting on behalf of the Board, with activities primarily aimed at strengthening existing management and governance structures, while improving development effectiveness by providing opportunities for institutional learning (Shihata 2000). Borrowing countries, moreover, might view such measures as an indirect means to investigate their own (and not World Bank) activities. The application and enforcement of the Bank’s operational policy framework may often be seen as the major factor in increasing transaction costs – both financial costs and in terms of the bureaucracy involved in “doing business with the Bank.” Donor countries, on the other hand, might be more inclined to support mechanisms such as the IP to the extent that they might contribute to improving lending quality
and/or development effectiveness – in particular when such issues are promoted by civil society organizations in those countries (Van Putten 2008).

Viewed from the perspective of external stakeholders, the IP exists primarily as a means to extend accountability towards affected parties (“horizontal” or “bottom-up” accountability). This would mean, firstly, providing project-affected people and their civil society representatives with an avenue for recourse and redress (Clark et al. 2003; Van Putten 2008); and, secondly, providing interested parties (the “broader public”) with a window into the World Bank’s development-lending operations and a greater “voice” in their decisions (Bissell 2001; Bissel and Nanwani 2009).

This mosaic of interests is well-represented in a typical IP case. Crucially, it leaves the Panel with the need to find an equilibrium among these conflicting interests – while simultaneously preserving its own long-term survival. Defining – and ultimately determining – the Panel’s effectiveness under such circumstances is a complex endeavor. From the perspective of external stakeholders, the IP might be viewed as ineffective because of its limited mandate and because it can never be viewed as fully independent. “Because the Panel is an arm of the Bank,” Carrascott and Guernsey (2008) criticize, “it is by definition an institution with a de facto World Bank bias and consequently acts with the interests of the institution in mind and not necessarily with the interests of the affected communities.” Internal stakeholders, by contrast, might consider the IP to be ineffective because its limited mandate and entrenched institutional dependence affect its ability to independently judge policy compliance at the project level. Here, the Panel’s attempts to incorporate community concerns might be perceived as facilitating undue political influences – which the Bank is prohibited from doing (Woods 2001; Van Putten 2008).

Within this complicated judicial system, backlash itself is both a consequence IP action and a mechanism for reform. As the IP attempts to assert and expand its independence and
authority, it triggers factors limiting further assertion and expansion ("backlash" limiting growth). This backlash affects the Panel’s degree of independence and authority, culminating in pressure exerted by Management, stemming from intensified competition from new lenders, or revised operating procedures that have the effect of limiting the Panel’s mandate. Nevertheless, a prolonged reduction in the degree of IP independence and authority can also trigger factors ("backlash" limiting decline) to halt the further weakening of IP independence and authority. This can include pressure exerted by civil society actors, or a reduction in cases filed at the IP due to a lack of credibility among prospective claimants. In sum, the IP illustrates how the dynamics of judicial oversight depend on a complex adaptive system between authority and independence, and that this system engenders conflict – but also the attainment of punctuated equilibria.

5. Conclusion

The IP reminds us that accountability mechanisms represent a hybrid of transnational governance influenced by requestors and project affected peoples, national governments, Bank managers, and other development donors. In this way, the IP should not be viewed as a single type of entity. For its advocates, it is simultaneously a system of quasi-judicial oversight, a source of expounded normative standards, a review process for compliance, an arbiter of international human rights, and a facilitator of public participation in decision-making. For its critics, the IP is a symbol of Western imperialism, a technique of legitimation for WB practices, and an obstacle to greater competitiveness and volumes of lending, all with an ineffective and limited mandate by design.

This creates a circulatory system of power that sees the organizational efficacy of the IP—its ability to retain legitimacy and control, and also to exert influence—oscillate. In such a
complex and multi-scalar system, the IP asserts its power and independence but remains limited by countervailing pressures from the WBG (the Board and Management) and influenced by external factors such as perceptions among civil society groups and ongoing efforts to improve accountability at other international financial institutions. Influence any one of these disparate conditions and the organizational power and legitimacy of the IP shifts.

This narrative of complex dynamics and power struggles challenges the more conventional (mainstream) view of a heroic IP fighting to expose and reform a hegemonic WBG. The IP is not only about delivering seemingly careful, well-researched investigation reports exposing WB mistakes to comply with safeguards. A second interpretation is that the IP is an entity seeking to ensure its own internal survival, an arbiter of its own brand of legitimacy and accountability. A third interpretation even more critical, one that sees mechanisms such as the IP as visible symbols meant to divert attention from WB’s governance failures and to both obscure and maintain an imperialist Western agenda (Vestergaard and Wade 2013).

In addition to this interpretive flexibility about what the IP “is,” because of the punctuated equilibria in how its organizational power ebbs and flows, there are limits to what it can accomplish. The IP must struggle against both the inertia of WBG operating practices and, at times, actively hostile or ambivalent (and myopic) managers. There is also a new concern that improved accountability could come at the expense of project efficiency or the core financial relevance of the Bank itself: some express worry that strengthened external accountability could increase the costs, administration, and time of World Bank projects. According to this view, the WB itself could become less relevant and competitive compared to other financial institutions if overly burdensome conditions are attached to its funding. These factors could explain how even with the perseverance and commitment from dedicated stakeholders, the IP has only investigated about 36% of all the Requests it received between 1999 and 2016.
The experience with the IP requires that we rethink what is meant by efficacy or effectiveness in institutional accountability. Even assuming that “effectiveness” is closely related to the realization of specific objectives or outcomes (Shany 2010), different stakeholders have very different ideas about what outcomes the IP should realize (or, at least significantly contribute towards). Even then, conceptions may differ as to which of those outcomes should enjoy primacy (Naudé Fourie 2016). For instance, since the IP’s inception, there has been conflicting expectations as to its relative importance with regards to strengthening the Bank’s internal governance structure versus expanding the Bank’s external accountability towards project-affected people by securing an avenue for recourse and realizing specific remedies or redress (Shihata 2000).

Ultimately, our analysis suggests that effectiveness itself is a subjective, dynamic, and contested concept, and the IP in particular must meet conflicted priorities. The IP was borne out of contestation and into a contested period of the WBG, and throughout its reign it has seen multiple struggles over power, authority, and legitimacy. The IP must remain effective in terms of ensuring its own existence, but also in promoting its agenda of holding the WB accountable as well as protecting communities and, now, assisting the WB in its mission of renewed competiveness and disbursing loans. The IP must also be seen as legitimate by civil society and affected parties, a role where the IP may seek to galvanize support from its base by delivering “knockout blows” to the Bank to keep its stakeholders engaged (Wade 2009). Processes of legitimacy and accountability reflect not only competing priorities but competing interpretations of effectiveness and competing stakeholders – to communities, to shareholders, to managers, to the Executive Board, to society as a whole. Development finance becomes about both competing interests as well as competing conceptions and expectations of accountability.
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