Statement of the Issue

What are the drivers on the global governance agenda? Over the last years, the World Bank engagement on so called “GAC global issues” has had two main drivers. The first is the WDR 2001, which “demonstrates how global threats—transnational organized criminal activity, corruption, the illegal trade in natural resources, the laundering of the proceeds of crime and tax evasion—impact on governance and development outcomes across the developing world,” which underpins the 2012 Revised GAC Strategy Global Governance agenda.

The second is driven by the demand from the outside (countries, other international organizations, civil society, etc.) for Bank engagement and inputs on global governance issues. The strong momentum on governance, anti-corruption and more broadly transparency at the international level has led to a significant increase of such over the last two years—driven amongst others by the strong push by the G8 and the G20 on these issues, but also from developing countries (e.g. emphasis on illicit financial flows by Africa) and civil society.

What had we decided to do in 2012? The 2012 GAC Strategy Update highlights that “Global GAC” would aim at using “the Bank’s knowledge, convening power and connecting role in producing global public goods by linking them to country level initiatives for reform” and identifies three challenges in implementation—the need for coherence and value added; the need for relevance and the objective of influence and impact. The strategic objective was “to strengthen mutual accountability to protect national assets and domestic revenues in low-income countries with weak institutions against global threats,” with a specific focus on horizontal work streams and cross-cutting themes—financial market integrity, contract integrity and natural resources integrity.

How has the international agenda evolved since 2012? As noted above, the evolution of the international agenda on these themes over the last two years (UNCAC, G20, B20, C20 G8, EITI, Post 2015 MDG, beneficial ownership, FATF, Arab Forum on Asset Recovery, G8 Deauville agenda, Oslo Process, etc.) has also led to a flurry of activities on themes relevant to GAC Global (illicit financial flows, asset recovery, beneficial ownership, tax transparency, extractives, transparency, etc.), with some World Bank Group engagement in most of them.

How does the Bank interact with other stakeholders on global governance? An important consideration is the one of partnership with bilateral donors or other international organizations and/or related “competitive environment”. To date, there is a broad range of such coordination arrangements or partnerships (which could usefully be more systematically mapped), as well as some competitive tensions—for instance with the OECD on the core “anti-corruption” agenda. Alternatively, there is likely a range of international bodies in which the Bank’s participation has remained under-optimized.
(some UNCAC Working Group, UN Convention against Transnational Organized Crime Working group, Organization of American States, some OECD working groups, some APEC Working groups).

**A quick typology of the functions filled by the Bank on global governance.** Another lens is to consider links to the various functions/objectives that the Bank is providing, or asked to provide, in the GAC Global arena. Four main functions can be identified, which are not mutually exclusive:

- The provision of knowledge, to the overall benefit of the international community and public at large. This can entail the normal production by the Bank of analytical work, or more targeted analytical inputs (more private) to the benefit of specific groupings;

- An influence or policy development strategy, where Bank seeks to “push” its agenda and its endorsement/recognition by the international community;

- Being the voice of developing countries on specific GAC issues, particularly in the context of standard setting bodies to which the Bank is party, so as to steer the agenda towards their specific challenges. This role is usually closely related to the follow-up provision of technical assistance to client countries; and

- Being responsive to requests/demands by outside parties on Global GAC issues, on which the institution may have less an interest in terms of proactive engagement, but may decide to respond positively—not least to remain part of the conversation.

**Current State of Play**

The recent GAC stock taking provides a useful picture of the progress made over the last years on the GAC Global agenda: “the global governance work is progressing as well as could be expected in support of a broad range of initiatives, ranging from the G8 and the G20 process to the International Corruption Hunters Alliance to supporting CSO coalitions such as Publish What You Pay.” The related annex and monitoring annex also provide interesting insights in terms of results—even though it does not cover comprehensively all the thematic engagements that are relevant to GAC Global, such as for instance the work on environmental crime and environmental governance.

At the same time, one of the challenges—noted amongst others in the context of the internal coordination led by StAR for the G20 anti-corruption working group—is the multiplicity of actors inside the Bank, including PREM, INT, OPCS, FPD, WBI, SDN, Infrastructure, IFC, and PPP to name but a few. While an asset when it comes to ability (or potential ability) to bring expertise and knowledge to bear—as evidenced in particular through the sectoral initiatives—this fragmentation has also been a liability in four respects:

- It is difficult to have a coordinated overview of the Bank work on topics relevant to GAC Global, and as a result to fully leverage internal synergies (the work on beneficial ownership being an example of untapped potential, just to name one);

- It is difficult to ensure full coordination/harmonization of the Bank posture and messages on the same issues across external engagements;

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2 The G20 anti-corruption working group had led to several such requests – some that the Bank took up (e.g. risk mapping), some that the Bank declined (e.g. procurement or to some extent corruption and growth).
• There is insufficient ownership of a broader corporate stance on GAC Global, as evidenced by some work conducted for the G20 ACWG (“this is not a priority”); and

• There is difficulty overall to fully connect the GAC Global activities and World Bank Group country engagement, and how the two agendas could cross-fertilize more.

Considerations Going Forward and Related Options

In the context of the “functional review” undertaken by the GAC Focal Point, the focus seems so far to have been more on the “coordination function,” i.e. an institutional approach. As noted during the meeting of GAC Alternates, one of the issue at stake is also the ability of the World Bank Group to influence across the board the international discussion on governance and anti-corruption, and to present a more coordinated and integrated voice.

As a result, the first question to consider might be how much the World Bank Group wants to do in that respect, and whether a more systematic engagement on the global governance agenda (including analytical work, policy development and influence) would be a priority for the institution as a whole.

A clear answer to this question would assist in framing the institutional arrangement to deliver on this agenda, notably with regards to the “intensity” of the engagement and proactive coordination of the various work streams to integrate the WBG contribution. Given the mix of “corporate” responsibility and thematic expertise on the Global GAC agenda topics, strong coordination between the “lead(s)” on the global agenda and the leads in the various fora/topics would be critical.

Another important consideration is the link between the stance taken by the Bank towards the outside, and the consistency of its own practices (as evidenced for instance in the discussions on transparency and disclosure or AML/CFT and other due diligence). This also calls for a careful internal coordination so that the WBG can claim that it does what it preaches.

The exercise of the coordination function should be correlated to the priority given by Senior Management to the engagement on GAC Global agenda—the more intense the engagement, the more centralized the coordination. Three main options could be considered:

1. **Decentralized leadership and low coordination** (overall, current state of play). This would entail a more ad-hoc, opportunistic approach, with a light coordination role, through existing cross-GPs coordination mechanisms, and teams engaged on the global governance agenda would continue to have the lead in terms of substance and representation.

2. **Decentralized leadership and strong coordination.** Such an approach would be built on the existing structures—and in particular leave it to “technical” units to lead the Bank engagement—but would focus on stepping up the coordination and integration of the World Bank Group contributions, with a particular emphasis on cross-cutting issues (as was done for instance recently for the preparation of the WBG “transparency statement” for the G8 related event in June 2013). This approach could also include a more strategic and proactive approach to the topics/fora on which the Bank Group would want to be more present or proactive. This would require an explicit coordination function (with associated resources), and likely some central funding to support teams which do not have an explicit mandate on global engagement to do so when deemed priority at the corporate level.
3. **Strong central leadership and strong coordination.** This would imply to take the lead (including in terms of representation) in some of the key international fora, and to proactively manage and coordinate the WBG contributions (including identification of priority topics and international bodies), mobilizing the relevant technical expertise and coordinating with the technical leads. Such an approach would require a significant strengthening of the “central” function, in terms of representation, expertise and funding.