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Natalie Bridgeman Fields: Holding the powerful accountable

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NO COMMENTS

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A saintly aura follows Jim Yong Kim (http://president.worldbankgroup.org/) as he glides from stage to stage, at the Skoll World Forum, the London School of Economics, the Global Philanthropy Forum and the spring meetings of the World Bank, over which he presides. The introductions are kind, the questions invariably gentle, the resume glittering: A physician and an anthropologist, Kim is co-founder of Partners in Health, the much-celebrated nonprofit that delivers health care to the global poor; a Harvard Medical School prof; the former director of the World Health Organization's HIV/AIDs unit; the former president of Dartmouth College; and now, as head of the World Bank, an organization whose work is anchored in two goals: "Ending extreme poverty and "promoting shared prosperity in a sustainable manner." Kim is now a film star, too, in Bending the Arc (https://www.impactpartnersfilm.com/films/bending-arc), a new documentary about Partners in Health, which was screened at the bank during its spring confab.

Often, Kim reminds listeners that he was once a fierce critic of the World Bank, even calling for its shutdown. In the introduction to a book called Dying for Growth (https://smile.amazon.com/Dying-Growth-Global-Inequality-Health/dp/1567511600), Kim wrote (http://foreignpolicy.com/2016/04/27/is-jim-yong-kim-destroying-the-world-bank-development-finance/) that the penalties for the failures of development finance "have been borne by the poor, the infirm, and the vulnerable in poor countries that accepted the experts' designs." He objected, in particular, to the bank's demands for "structural adjustments," that is, the privatizations and cutbacks in government services that the bank required before lending to governments of poor countries. Those policies were mostly gone by the time Kim was named president of the bank in 2012. Indeed, he said then (http://www.nytimes.com/2012/04/10/business/global/jim-yong-kim-sketches-vision-for-world-bank.html) that "the bank has shifted tremendously since that time, and **now the notion of pro-poor development is at the core of the World Bank**."

But is it, really? Natalie Bridgeman Fields (http://www.accountabilitycounsel.org/ourpeople/staff-list-grid/natalie-bridgeman-fields-executive-director/), who is the founder and executive director of a nonprofit called Accountability Counsel (http://www.accountabilitycounsel.org/), isn't so sure. Accountability Counsel is one of several small nonprofits–others include the Bank Information Center (http://www.bankinformationcenter.org/), EarthRights International (https://www.earthrights.org/), SOMO (https://www.grievancemechanisms.org/about) and Inclusive Development International (http://www.inclusivedevelopment.net/)–that work to make sure that the World Bank, and other financial institutions and global companies, respect the rights of the poor to help shape the development projects that affect them.

Natalie Bridgeman Fields

"Accountability Counsel," says Fields, "serves communities to make sure their voices are heard when they're harmed by internationally financed projects, like dams, mines and pipelines." It's a job that needs doing because an **internal watchdog at the World Bank Group says the institution is not tracking its social and environmental impact as well as it should, particular at the International Finance Corporation (http://www.ifc.org/wps/wcm/connect/corp_ext_content/ifc_external_corporate_site/home) (IFC), a unit of the World Bank Group that makes loans to the private sector.**

It's not just Fields who argues that the bank has repeatedly violated its own safeguards. A 2015 investigation (http://projects.huffingtonpost.com/worldbank-evicted-abandoned) by the International Consortium of Investigative Journalists and the Huffington Post found that about 3.3 million people "were forced from their homes, deprived of their land or had their livelihoods damaged because they lived in the path of a World Bank project."

You'd think that as a one-time reformer, Jim Yong Kim would ally himself with these critics, so that he can remedy the problems at the bank. But no. To the contrary, he sounds exasperated when critics like Fields dare to publicly challenge him to do better.

When their paths crossed last month at the Skoll Forum in Oxford, Kim greeted Fields by saying: "You're one of those people who make money by criticizing the World Bank." Ouch.

About that, he's wrong. Fields, 39, left a job as associate at Wilson Sonsini, a prominent Silicon Valley law firm, to become a human rights lawyer before starting Accountability Counsel (AC) in 2009. She was paid less than $50,000 at first and earned $93,269 in 2015, according to AC's most recent public filing. (http://www.guidestar.org/FinDocuments/2015/461/909/2015-461909035-0c833af1-9.pdf) Law school grads are paid twice that (http://abovethelaw.com/2016/06/silicon-valley-giant-finally-moves-on-associate-pay/) in their first year at Wilson Sonsini. For what it's worth, Kim makes well over $800,000, (http://pubdocs.worldbank.org/en/559991474295474257/5-Organizational-Information-FY16.pdf) and the bank pays his US taxes.

Unlike Kim, who once participated in a movement called "50 Years Is Enough," Fields has never wanted to shutter the World Bank. Indeed, as a law student, she spent a summer working at the World Bank Inspection Panel, which does oversight in responses to citizen complaints about bank-funded projects, to see how well it operated. Her interest in development finance had been sparked when, at an earlier summer internship, she was exposed to an IFC investment known as the Pangue hydroelectric project (http://www.cao-ombudsman.org/cases/document-links/documents/PangueCAOConclusionReport_2010.pdf) in Chile opposed by local villagers. That case led the World Bank Group to create an accountability office covering IFC investments.

"Development can be and must be a rights-based system," Fields says.

A lack of transparency at the IFC

Today, Accountability Counsel, which has about a dozen staff members, most of them lawyers, monitors nearly two dozen development institutions, as well as private projects. It helps poor communities (http://www.accountabilitycounsel.org/communities/) protect themselves against projects that cause harm and pushes to improve the policies and practices of development banks. Echoing Green was its first funder. With a budget of about $1.4 million, Accountability Counsel's current supporters (http://www.accountabilitycounsel.org/about/supporters-financials/) include the 11th Hour Project, Draper Richards Kaplan Foundation, the Open Society Foundation, Novo Foundation and the Heising-Simons Foundation.

These days, Fields is keeping a close eye on the Word Bank Group's IFC unit, which increasingly is investing through banks or private equity funds, also known as financial intermediaries. In 2015, nearly half of IFC's portfolio was invested through financial intermediaries, according this story by Devex's Catherine Cheney (https://www.devex.com/news/inside-the-campaign-to-support-communities-harmed-by-development-89678). The remainder is invested directly in private-sector projects.

The trouble is, investments through third-party banks or private equity firms can't be tracked nearly as closely as the specific projects that are financed directly by IFC, according to the office of the Compliance Advisor Ombudsman (http://www.cao-ombudsman.org/) (CAO), the World Bank Group unit that responds to complaints from communities about social or environmental problems. (Quick aside: These bureaucracies seem to be designed to be impenetrable, to discourage outsiders from paying attention, so I'll try to keep this brief.) In a 2013 report (http://www.cao-ombudsman.org/newsroom/documents/FIAUDIT.htm), the CAO said:

> *IFC does not have a methodology for determining whether its principle requirement on clients — the implementation of an environmental and social management system—achieves the core objective of 'doing no harm' or improving environmental and social outcomes at the subclient level. This means that* ***IFC has no quantitative or qualitative basis on which to assert that its financial intermediation investments achieve such outcomes, which are a crucial part of its strategy and central to IFC's Sustainability Framework.***

Two months ago, in a follow-up report, the compliance office said IFC was doing better–but still not good enough:

> *CAO acknowledges steps IFC has taken to improve its approach to E&S risk management, while, at the same time, concluding that the measures taken and proposed by IFC do not provide assurance of compliance.*

IFC disagrees, as you can read here. (http://www.cao-ombudsman.org/newsroom/documents/documents/IFCResponsetoCAOThirdFIMonitoringMarch2017.pdf) This sounds like mundane bureaucratic infighting–no banker likes compliance officers meddling in his or her beeswax–but the stakes are high.

"If the IFC is giving a large percentage of its money to banks, and its people don't even know what projects their funds are supporting, how can they be sure that those projects are aligned with the mission of alleviating poverty?" Fields asks. "And if there is no transparency…how do those harmed seek accountability?"

IFC's direct investments have also faced complaints. A CAO investigation (http://accountabilitea.org/wp-content/uploads/2016/11/CAO-Investigation-Report-of-IFC-investment-in-APPL_EN.pdf) into alleged abuses at Amalgamated Plantations Private Limited (APPL), a huge tea plantation and IFC client in Assam, India, found complaints of "long working hours, inadequate compensation, restrictions on freedom of association, poor hygiene and health concerns, poor living conditions, and inadequate protection for workers using pesticides." The tea workers are being supported by Accountability Counsel, which is urging IFC — which acknowledged some problems and denied others (http://www.cao-ombudsman.org/cases/document-links/documents/IFCResponsetoCAOInvestigationReport-APPL.PDF) — to remedy the situation.

Reckless development?

Meantime, a new report from Inclusive Development International accuses the IFC of funding, through intermediaries, "mega-hydropower dams in Vietnam and Cambodia, dirty coal-fired power plants and mines in the Philippines, Vietnam and Myanmar, and massive agro-industrial land grabs in Cambodia and Laos" that violate the IFC's own environmental and social guidelines. Accountability Counsel contributed to the report, called Reckless Development: The IFC's Dodgy Deals in Southeast Asia (http://www.inclusivedevelopment.net/wp-content/uploads/2017/03/Outsourcing-Development-Part-3.pdf).

"Outsourcing the World Bank Group's development mandate to opaque and unaccountable private financial institutions is a recipe for disaster," said David Pred, managing director of Inclusive Development International, in a press release. (http://www.inclusivedevelopment.net/out-of-control-the-world-banks-reckless-private-sector-investments-in-southeast-asia-exposed/)

It goes without saying that these debates are complicated. NIMBYism by the few can hold back progress for the many in poor countries just as it does in rich places. But the charges should be a matter of concern to any World Bank president, and especially to Jim Kim, who portrays himself as an advocate for the downtrodden.

Last month, at the Global Philanthropy Forum in Washington, Fields politely asked Kim how civil society can trust the World Bank when the IFC and its compliance office can't agree on whether social and environmental safeguards are being followed.

Kim replied at length, saying, among other things, that it's all but impossible to apply social and environmental safeguards to every project, particularly those funded through intermediaries; that poor countries are "extremely angry" about the safeguards, which were never applied to wealthier nations when they were poor; that poor countries desperately need the World Bank's capital to avoid plunging into chaos; that leaving development to private lenders would eliminate all safeguards, and that's no solution; that he fought to bring LGBT protection into the social standards, even though many countries think homosexuality should be illegal; and, finally, that despite all those pressures, he is doing his best to bring "concern for the planet, concern for the poor, concern for women" into all of the bank's work, and he has no intention of stopping.

What he didn't say was, how I can help?

"I can tell you," Kim said, peevishly, "that as many criticisms as you can make of the World Bank Group, if we don't do [our work], the final common pathway for many, many countries is going to be fragility, conflict, violence and eventually migration."

"I wake up every day," he said, "feeling not only that we're doing the right thing most of the time, but that the task is ever more urgent."

Maybe so. I'm not a development expert, so I won't opine on the World Bank's impact or Kim's performance. But neither Fields nor the other critics expect Kim and his colleagues to solve all the world's problems. "We're only demanding that the banks follow their own rules," she says. That doesn't seem like too much to ask.

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