

TOOLKIT FOR ACTIVISTS



INTERNATIONAL FINANCIAL INSTITUTIONS AND CLOSING CIVIC SPACE

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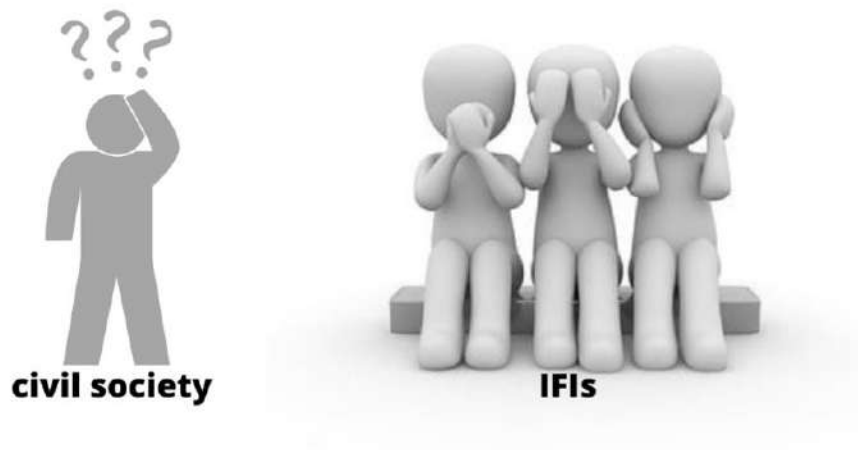
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INTRODUCTION

Activists are trying to mobilize as many powerful international actors as possible to stand up to the increasingly closing civic space and human rights violations. To identify these actors, the activists apply a ‘follow the money approach, which often leads to International Financial Institutions (IFIs) at the top. The loans and grants offered by these institutions afford them great leverage over recipient countries.

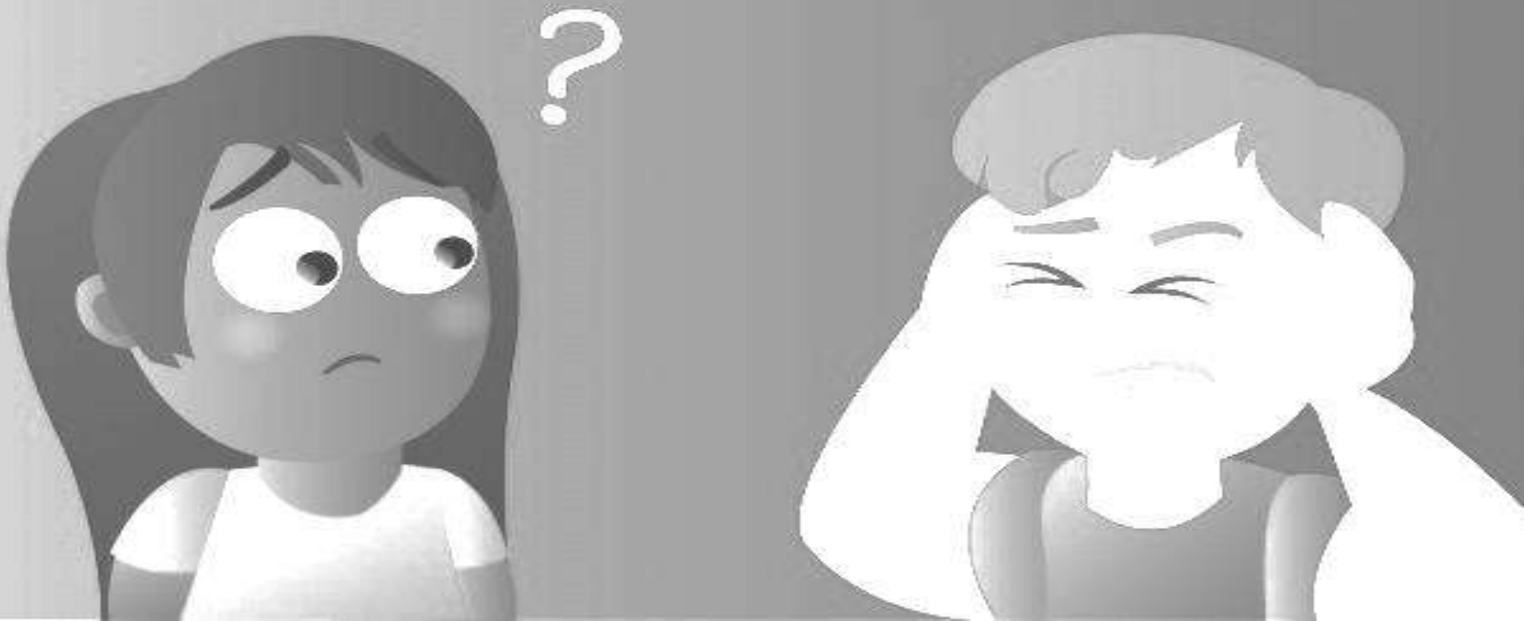
However, activists who approach these IFIs asking for support in mitigating the harms of a closed civic space are often frustrated and puzzled when met with an unwillingness to help.



This toolkit will explain why IFIs disregard these requests for support. We will also explore potential tweaks and reframing techniques that may better allow these requests to fit within the mandates and policies of IFIs.

Most importantly we will explore different advocacy strategies tailored to the internal “plumbing”, and power dynamic of these institutions.

WHY DOES OUR ARGUMENT GET IGNORED?



Courtesy of Frontiers for Young Minds

To answer this complicated question, let us
unpack it into smaller simpler ones

Q 1: Can IFIs instruct a government to open the civic space and respect human rights?

The direct answer is NO. Per their mandate, IFIs may not interfere in domestic political affairs in any sovereign state. However, IFIs may utilize other ancillary policies to play a positive role in combating the closing of civic space.

Q 2: Does this mean that the IFIs have to disregard the political situation in the countries of operations?

While IFIs do not have direct oversight of countries of operations' domestic affairs, their role as funders provides them with opportunities to ensure that their contribution is encouraging open civic space. For example, The European Bank for Reconstruction and Development (EBRD) is the most well-positioned to exercise that power. While the majority of IFIs is apolitical, the EBRD has a unique political mandate that distinguishes it from all other IFIs and yet is no exception to this form of oversight.

The EBRD was created in 1991 to support the reconstruction of Central and Eastern European countries and their assimilation after the Cold War. To ensure that these countries would not slip back to the politics of the Cold War era, the first article of the

EBRD founding charter specifies that the Bank may only carry out its purpose in countries of operations that are “*committed to and applying principles of multiparty democracy and pluralism*”.

However, this does not mean that the EBRD can interfere in the political affairs of a sovereign country. It means that the EBRD should assess the political situation regularly in its countries of operations against a certain set of criteria to determine if a country complies with this mandate.¹ This assessment takes part usually every few years, when developing a new strategy for a country of operation—and is centered around a set of criteria that includes civil society independence, civic space, and other measures of democracy. Based on this assessment the Bank may take measures that range from adjusting investment in the country, weighing its portfolio between public and private sectors, or even, as a last measure, discontinuing its operations. This assessment is, by itself, an incentive for the governments of those countries to comply with the first article to qualify for as much financial support as possible from the EBRD. Using this case study, it is clear that even the IFI with the most power to affect countries of operations' open civic space is limited in its power. However, each IFI holds, at minimum, a small degree of power that should allow it to participate in the fight against closing civic space.

¹ To find more about this set of criteria go to <https://www.ebrd.com/our-values/multiparty-democracy-and-pluralism.html>

Q 3: How can activists make use of this EBRD political mandate to fight against the closing civic space in a country?

The first step is to find out when the next assessment for the country is due and collect information about any violations of the criteria set forth in the corresponding political assessment—and be sure to substantiate it with as much factual evidence as much possible.

Do not assume that the EBRD staff charged of doing the political assessment will be easily swayed by the information you provide. The information and the facts are outweighed by the power of the representation of the government of the country in the Board of Directors. Each country of operation is both, a shareholder that has a say in the decision-making, and a client that borrows from the Bank and pays the loans back with interests. Since this is true in all IFIs, the final [section](#) of this toolkit provides different strategies to offset this power imbalance.

Q 4: How can other IFIs play a role in combating closing civic space?

Not at all. Though the EBRD is unique in its political mandate, other IFIs could also play influential roles within the bounds of their own mandates.

All IFIs share the same mission: to provide the support developing and underdeveloped countries need to fight poverty and achieve their development goals. In the last few years, it became clear that community engagement is crucial to the success and sustainability of new development programs. This recognition led to the development of several IFI policies that require stakeholder engagement and civil society consultation in an environment free of intimidation, threat, or coercion.

While many of these policies are mandatory, their enforcement is often placed in the hands of the recipient countries and their relevant agencies. Despite not being in charge of their day-to-day implementation, IFIs have a responsibility to supervise and ensure that these policies are being put into practice. Ideally, civil society groups would be able to serve as watch dogs and alert the IFIs where these policies are flouted. However, more often than not, civil society groups are informed of neither the existence of these policies nor of the proper framing to use when communicating with an IFI.

For example, if the complaint is about the state crackdown on its critics, the IFIs would simply dismiss this complaint as not within its mandate. But if the complaint is about communities impacted by a certain IFI-funded project whose concerns are met with state retaliation, this would be well within the IFIs mandate.

This means that in order to effectively hold governments accountable to their granting IFIs, activists must familiarize themselves with the policies and mandates that govern their funding. Members of civil society are then tasked with thinking like lawyers and gathering evidence that frames their arguments within the bounds of applicable laws.

It is important to stress that *although it is a crucial first step, a well-crafted argument does not necessarily sway the IFIs to act accordingly*. A strong advocacy campaign is often necessary to put the needed pressure on the IFIs to respond to and act on that well-crafted argument.

Q 5: What are some examples of policies that create entry points for community engagement?

While all IFIs have nearly identical policies, they are often referred to by different titles. For this section, we will use the World Bank as an example.

Near every 5 years, The World Bank develops a periodical for each of its countries of operations, called Country Partnership Framework (CPF). The CPF is the framework within which the World Bank will select the projects and programs it will fund in the country. Before developing such a strategy, the World Bank performs a Systemic Country Diagnostic (SCD). The SCD is an assessment of the obstacles and opportunities facing the

development process and includes a governance assessment that covers areas such as transparency and corruption and may touch on other aspects including freedom of association and inclusion. Almost all the IFIs, including the World Bank, have policies that mandate consultations with civil society and different stakeholders during this strategy development process.

For each project funded by any IFI, certain policies are mandated to minimize and mitigate potential harms. Each type of project has a set of policies that govern its three phases: **1)design, 2)implementation and monitoring, and 3)closing and evaluation**. These policies always include mandatory consultations and effective engagement with the stakeholders throughout the project cycle.

A notable example is the World Bank's Environmental and Social Framework (SEF), which includes ten safeguard policies to minimize and mitigate potential harms. Arguably the most significant, the tenth policy, known as the Stakeholders Engagement and Information Disclosure, makes it mandatory for the borrower to engage with stakeholders throughout the project life cycle, share with them relevant information in their local language and in a timely manner, and do so in an environment free of intimidation and coercion.

Although the borrower is the one in charge of implementing this mandatory policy, the Bank has the responsibility to monitor and

ensure its proper implementation. If any of the mandatory policies is violated, impacted individuals or communities may submit complaints and requests for investigation to the World Bank's accountability mechanism, called the Inspection Panel.

As mentioned at the top of this section, this policy is not unique to the World Bank and exists in some form within all IFIs. A simple Google search will help you to identify and learn more about each IFIs corresponding policy.

Q 6: How can activists who work on the closing civic space crisis make use of these policies?

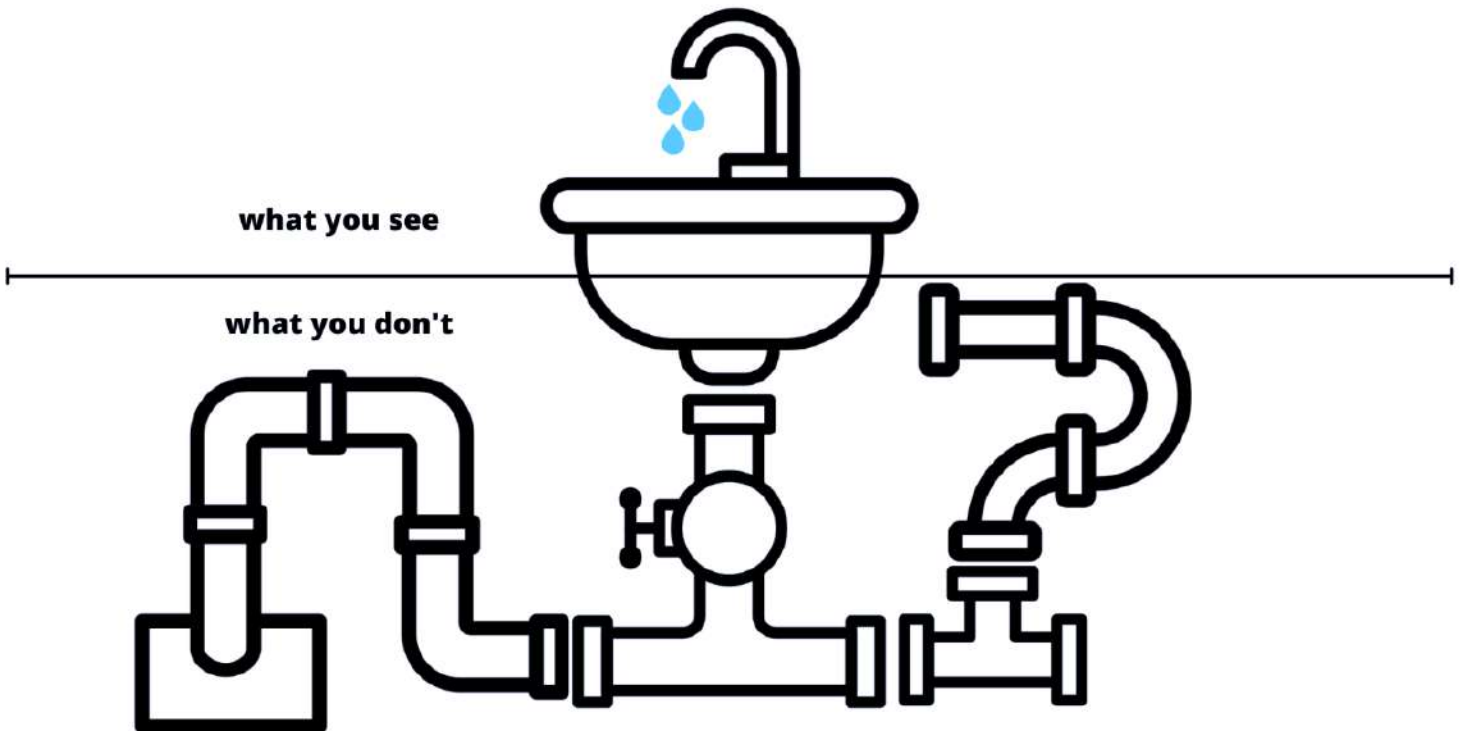
Before you design your advocacy strategy and tactics, it is important to build a strong argument that fits within the mandate of the IFI in question. The argument should illustrate how the closing civic space makes it difficult to properly implement mandatory policies for a specific IFI funded project.

Furthermore, you should demonstrate how this lack of implementation hinders the ability of this project to achieve its intended goals at best, or at worse, actively causes harm to the community.

It is absolutely critical to substantiate your argument with concrete examples and factual evidence and further frame it through language from the IFIs own public discourse on citizen engagement and participation. When engaging with the IFIs, you must provide them with clear recommendations that can be implemented within their existing mandates and policies.

Now that you have done your homework and prepared your argument, you are done with the first task. Before you are ready to develop an advocacy strategy that demands IFI action, the next section will help you better understand the internal mechanisms of IFIs and tailor your advocacy campaign for maximum impact.

HOW DOES IFIS WORK?



When you turn on your faucet, you can see the water coming out into the sink. But there's so much more going on underneath the surface. A complex plumbing mechanism is at work underneath your sink, inside your walls, and outside your home. Just like your bathroom sink, IFIs have a complex operating system beyond the development projects you see in your communities. What you might not see is where the money used to fund these projects is coming from, who makes crucial decisions about them, or what bureaucratic systems govern them internally.

Q 1: Who owns the IFIs?

YOU own the IFIs.

IFIs are owned by the shareholder countries (i.e. these countries' citizens). For example, the World Bank Group is owned by 189 countries. Each one has shares, which are paid for by the citizens' tax money. While not all shareholders receive funding, shares are required in order for any country to qualify for funding.

This means that you are a shareholder and should have a say in these IFIs' decision-making. However, it is of note that some shares are larger than others and this means that the countries with the larger shares have more say.

Q 2: What power do the shareholder countries have?

The shareholder countries are each represented by a member (usually the Minister of Finance or an official of similar rank) in the Board of Governors. Similar to the shareholders' board of any major corporation or the general assembly of a membership organization, this board decides on big picture issues including inducting new shareholders, adjusting capital, or amending the articles of agreement.

Although the Board of Governors holds ultimate power inside the institution, they delegate their decision-making power to an

elected Board of Directors. So, in practice, the power of the shareholders in operational decisions is limited to the authority they have in the Board of Directors.

Q 3: How is the Board of Directors selected?

The governments with the largest shares each appoint one member to represent them directly in the Board of Directors. Those with smaller shares are divided into sub-groups where they each have one representative.

This translates into a situation wherein wealthier countries have greater decision-making power. For example, the World Bank has 189 shareholder governments, but its Board of Directors has 25 members. The US, the UK, France, Germany, Japan, Saudi Arabia, Russia, and China are represented by 1 member each, while 22 African countries are represented by only two members as a whole.

Q 4: What is the power of the Board of Directors?

While they represent the interests of the member countries that appoint them, they are also responsible for conducting the business of the institutions. They decide on the policies that guide the general operations of the IFI and approve loans, credits, and grants.

Q 5: Who manages the operations of IFIs?

The management of each IFI is led by the president (or an equivalent title) who oversees on-the-ground operations according to the decisions and policies approved by the Board of Directors.

Q.6: How do IFIs make money?

IFIs essentially function as banks. Shares provided by member countries serve as capital which is then invested to make more money.

Like any corporation, IFIs invest their capital in financial markets and projects. Their business model is like that of any commercial bank, with the exception that their investments are all supposed to advance development. Another difference is that IFIs may only invest in their member countries which are then bound to repay the IFI with interest.

Q 7: Does this mean that all IFI projects are funded through loans?

Not all of them. Since their mission is to support developing countries achieve their development goals, they also provide grants and credits (low interest and longer maturity loans) to lower-income country members.

Q 8: How can this information be used to develop an advocacy strategy?

Understanding the power dynamics inside these institutions enables activists to better identify whom to target and how to tailor their advocacy tools accordingly. Based on the information above we could safely deduce the following:

- 1. Donor countries with accountable political systems are often the most effective campaign targets.**

The countries with the larger shares, referred to here as “Donor Countries” have greater power. These countries are developed countries that do not borrow from these institutions. They do not need the institutions but the institutions need them to survive. Some of these countries have accountable political systems that require them to address and defend how they spend their constituent’s tax contributions. These countries may be strategic targets for advocacy campaigns. However, those who are not bound by political accountability are less likely to be receptive to rights-based arguments.

2. There is an inherent conflict of interest within IFIs that disincentivizes them from addressing closing civic space.

- a. Middle-income countries that borrow greater funds are regarded as important clients whose interest payments are critical to the survival of an IFI. This creates a complex dynamic in which these countries are both borrowers and shareholders. Through their representation in the Board of Directors, they participate in decision-making processes for all IFI operations, including those within their own countries.
- b. Since they receive loans at market interest rates, this means that IFIs are competing with other lenders for these countries' business, which is critical for the institutions' survival. This creates an imperative for IFIs to keep high-volume borrowers satisfied.
- c. Incidentally, high-volume borrowers suffer the most from closing civic spaces. Therefore, asking the IFIs to support activists in combating this phenomenon is often the same as asking them to go against their most critical clients.

3. IFIs can more effectively support activists in lower-income countries.

While lower-income countries are also shareholders and participate in the IFI's decision-making process, their shares are the smallest and often only receive grants or credits. Since they neither have notably impactful representation nor contribute significant interest, IFIs do not feel the need to placate them or compete for their business with other donors. Therefore, IFIs' management and board are empowered to take strong positions concerning violations in these countries' operations. In other words, these countries need the IFIs more than the IFIs need them.

With the knowledge gained from the previous sections, you can now shape your argument, recommendations, and asks to fit an IFI's mandate and take into account their political and financial interests. The next section will further help you refine your campaign by identifying key components necessary to effectively garner IFI support.

WHAT COMPONENTS SHOULD BE INCLUDED IN AN ADVOCACY STRATEGY?



A good advocacy strategy aims to make it clear to IFIs that the cost of inaction outweighs its benefits. Within the IFIs, advocacy campaigns should target senior management and/or board members who represent the democratic 'donor' countries. As illustrated in the image above, a good campaign pulls the scales towards the "good cause" to win out against the financial interests of the IFI and its "clients".

This section will explore ways to support activists' arguments, the different components of an advocacy strategy, and case studies of successful campaigns.

Q 1: If the argument is obvious and fits within the IFI's mandate and policies, why do we need to add more weight to it?

As explained earlier, those who make the decisions inside the IFIs have also to protect the interests of the institutions and/or the countries they represent. This does not necessarily mean that they do not see the value of the argument or sympathize with the cause. It does however mean that they may be torn between the good cause and the duties of their positions inside the IFI. A successful campaign will make this decision easier for them by equating the good cause with the institution's own best interests.

Of course, the more complicated the interests are, the harder it is to offset them. As discussed, it is easier for the IFIs to take actions vis-à-vis violations of their policies in lower-income countries that depend on the IFIs for their financial needs than in middle-income countries that borrow in high volumes and have access to other donors.

Q 2: How to add more « weight » to the cause?

One of the simplest ways to appeal to an IFI's interests is to frame their support for your argument as a way to save and/or improve their reputation among the taxpayer citizens of wealthy donor countries.

Though IFIs are keen about their reputation, the degree to which it matters depends largely on each country's relationship to the institution. For example, if the country is a high-volume borrower, the government is treated as an important client whose satisfaction is more important than that of its citizens. In many cases, the IFI may even be willing to be a scapegoat and take the blame for some of the government's wrongdoings to gain added favor.

But if the country is a donor, then the IFI will care about how they are perceived by its citizens, especially if this country is a functional democracy with effective accountability systems. Through their tax contributions, citizens in these countries are seen as the funding stakeholders whose positive view of the IFI in question is deemed crucial. Therefore, it is in the IFI's best interest to maintain a good reputation among the citizens of the donor countries. Of course, choosing the right political moment to play on the reputation card is key as this example from Albania illustrates.

Case 1: Albania- Integrated Coastal Zone Management & Clean-Up Project

In 2005, the World Bank approved a project for the Albanian government to develop its coastline in a sustainable manner. While enacting this project, the Albanian government's construction police demolished many residences in the coastal city of Jade and violated the World Bank's policy by not developing a proper resettlement plan. Nearly two years after the project was approved, the people whose residences were completely or partially demolished submitted two complaints to the World Bank's Inspection Panel.

In the following months, the Albanian government carried out a cover-up campaign to protect the prime minister's son-in-law who was heavily involved in the projects' corruption. This continued until the end of 2009 when the World Bank sought a general capital increase from its member countries.

Meanwhile, news of this still ongoing investigation reached the American press and garnered public interest. So, in order to secure the approval of their request to the US Congress, the World Bank sought to sway constituents' opinions in their favor by showcasing support for the activists and an anti-corruption stance. The Bank then suspended its support to the project, compensated the residents, and held accountable all its employees who were involved in the design, implementation, monitoring, and corruption of this project.

Q 3: What if there is no current political opportunity, like a capital increase, on which to build the campaign?

Political opportunities may be uncovered with just a little research. While they may not be readily apparent, these opportunities might be legislations or resolutions in some of the donor countries that speak to the cause at hand, which you can use as an anchor to your message. There may also be an opportunity to tie your cause to topical hot-button issues to further attract the attention of media and citizens. While finding these golden opportunities is not always a guarantee, their value to your campaign is worth the time invested in researching.

Q 4: Does this mean that getting the attention of the media in the ‘donor’ countries is all it takes to reach IFIs?

No, while the media should be a big component of your advocacy campaign, there are other important components to compliment the media work—all of which rely first on framing an argument and specific asks within the IFI in questions’ exact mandates.

Q 5: What other components should be there in such a campaign?

While your argument’s framing may evolve with the campaign, it must be present and clear in each of the following four components, which are designed to complement each other.

- 1- Public mobilization:** IFIs need to see that many, and not just a few individuals, are concerned about the problem and eager to see it solved properly. While public mobilization within the country in question would be ideal, closing civic space may make that an impossible or dangerous option. In many cases, mobilization in other countries, especially in ‘donor’ countries, is the best course of action to attract the media and government attention.
- 2- Ongoing dialogue with officials inside IFIs.** Communication with insiders will give you valuable information about how to refine your argument and asks to make them fit better within the IFI’s mandate. You might also be able to identify your allies and opponents and the best ways to approach them.
- 3- Communication with members of donor democratic countries’ governments.** Each donor country has a designated governmental agency that oversees and shapes its position and decisions in each of the IFIs in which it holds shares. Members of the parliaments of these countries are thus important since they represent the taxpayers to whom the government is accountable. Of course, when communicating with these officials, the message should be framed to illustrate their interests and values and how your cause and asks relate to them.
- 4- Engaging the media.** Finally, it is good to get the media not only to cover the story and the argument but also to cover its public mobilization. This will put pressure on both the governments and the IFIs to act. As mentioned in previous sections, the IFIs care more about the satisfaction of the recipient countries; governments since they are the clients. This means that as long as the government is satisfied the IFIs might not be urged to act on stories in the national media inside this country. In fact, in some cases, the IFIs might even tolerate being blamed for the government’s wrongdoings. But in donor countries that enjoy democratic and accountably political systems, the media holds immense power. The governments in these countries are responsive and accountable to public opinion and the IFIs need to keep these governments and their citizens satisfied.

Case 2: Lebanon- Bisri Dam project

The Lebanese government wanted to build a reservoir in the Bisri Valley to provide drinking water to the population of Greater Beirut. The World Bank was financing this project through two loans: the \$200 million [Greater Beirut Water Supply Project](#), approved in 2010 (with a \$90 million [Additional Finance](#) approved in 2018) and the \$474 million [Lebanon Water Supply Augmentation Project](#). The dam would be built on an active seismic fault, posing risks of reservoir-induced earthquakes and would destroy 6 million square meters of natural land, impacting the rich biodiversity of the Valley, and dismantling many cultural and archaeological sites.

A coalition of Lebanese civil society activists launched a [National Campaign to Protect the Bisri Valley](#), which mobilized the public opinion against the construction of the dam through formal media outlets and social media platforms. The campaign's multi pronged approach included:

- Submitting official complaints to the World Bank's accountability mechanism highlighting several violations to the Bank's own policies.
- Coordinating with many prestigious scientists to develop and publish studies highlighting the negative geological, environmental, social, and cultural impacts of the dam.
- Organizing several protests in Lebanon, reached out to Lebanese political leaders to issue statements against the dam, and mobilized the Lebanese diaspora in many of the 'donor' countries. In addition to protesting, the diaspora reached out to their representatives in donor countries and pushed them to question the governments' position on the World Bank funding for this project.
- Collaborating with some international organizations who were familiar with the "plumbing" inside the Bank and may have access to some senior officials to help inform the campaign tactics.

Throughout the years the activists managed to keep the contractors out of the Valley. In August 2020, when the government issued a warning for them to evacuate the Valley to enable the construction work to start, the activists camped in the Valley and some even tied themselves to trees, refusing to leave until the project is dropped. The stories from the campaign were also covered by international media including some of the largest circulated newspapers in the US and Europe. The campaign 'steering committee played a crucial role in coordinating its different components.

Finally, on September 5, 2020, the World Bank officially [canceled the project](#) "*due to non-completion of the tasks that are preconditions to the commencement of the construction of the Bisri Dam.*"

Q 6: What powers to IFI's senior management hold in the decision-making process?

The management of any IFI is independent from, but report to, the Board of Directors and operates within the policies approved by the Board. While the senior management has the power to take and execute decisions, they are keen on keeping their clients (the borrowers) as satisfied as possible. It is correct to assume that with big decisions, that might be seen as political, even those within its authority, the management would seek support and guidance from the Board.

Q 7: If the "donor" countries have a big say in the decision-making process and they want to do the right thing with their citizens' tax money, why they do not act on violations of these mandates and policies?

Remember that the board of directors of each of these IFIs include representatives of all the stakeholders including representatives of the "recipient" countries. Not only that the representatives of the "donor" countries want to keep the clients (the recipient countries) satisfied, but they also develop a work relationship with the representatives of the recipient countries. Like any other work relationship, there is a give and take, compromises to be made, and behind-the-scenes deals. Also, outside the world of the IFIs, there are political interests that those "donor" countries might have with the "recipient countries. A representative of a "donor" country in the IFI's board of directors would not take a position that might impact the political interests of his/her country.

In sum, for a representative of a 'donor' country to take a position against a "recipient/client" the cost of not taking this position should outweigh the benefit from satisfying the "recipient/client". A successful campaign would aim at making cons for siding with our cause more beneficial than siding against it.



The opening or closing of civic space inside each country is considered, by most of the IFIs, as a political domestic issue and thus beyond their mandate. However, there are many entry points that bring this issue to the forefront as it impacts the proper implementation of many of the IFIs' policies.

A successful campaign builds the argument using the IFI policy languages, navigates its way through the complicated « plumbing » of its targeted IFI, and effectively deploys harmonized tactics and strategies to highlight that a decision to side with the cause would be in the IFI's best interest.

**Toolkit for activists: IFIs AND
CLOSING CIVIC SPACE**

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