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Beyond Greening: Explaining the Effectiveness of the World Bank as an International Environmental Organization

The World Bank as the principle global development agency has also become a major player in global environmental governance, as measured by its lending to the sector and the number of environmental specialists it has currently employed. After the heavy critique of the 1980s, regarding its financing of multiple projects that led to spectacular environmental disasters, the Bank formally initiated a process of profound makeover, leading – among other things – to the establishment of the Environment Department, enhanced safeguard policies, and an increased environmental lending portfolio, as well as a decreasing number of environmentally harmful projects. In our research effort, which is part of the larger MANUS research project¹, we treat the World Bank as an international environmental organization and analyze the effectiveness of its new, proactively environmental activities along the five dependent variables 'influence on international cooperation' and 'business actors', 'capacity building', 'knowledge', and 'discourse'.

Although we find evidence for a significant influence on international cooperation and capacity building, the overall picture suggests that the greening of the World Bank has been only partially successful for now. Notwithstanding a genuine effort towards environmental reform and critical internal reviews, the mainstreaming of environmental concerns and the actual implementation at the project level has fallen short of their objectives. In an attempt to explain this apparent lack of capacity for institutional change, we characterize and discuss the World Bank along a second set of independent variables, namely 'autonomy', 'inter-connectedness', 'leverage', 'soft power', 'bureaucratic maneuverability', and 'representativeness'.

On the basis of a series of interviews with experts from the Environment Department, we conclude that bureaucratic maneuverability offers the highest explanatory power: the number of employees and significant degree of decentralization, the ever-broadening mandate leading to the dilution of precise goals and a goal congestion, and, finally, a lack of transparency in internal decision making and resource allocation, has hampered a sufficiently widespread integration of the Bank's ambitious environmental strategies within the organization.

¹ 'MANUS – Managers of Global Change: Effectiveness and Learning of International Organizations' is a research group of the Global Governance Project (GLOGOV.ORG) analyzing nine international environmental organizations and convention secretariats. The Global Governance Project is an international, multidisciplinary research programme jointly maintained by the Potsdam Institute for Climate Impact Research, the Vrije Universiteit Amsterdam, the Freie Universität Berlin, and Oldenburg University. URL: <u>www.glogov.org</u>.