

***Partnership for Transparency and Open Society Foundations Study: Enhancing Citizen-Driven Delivery and Accountability in International Development Association (IDA) Operations:
Note on Emerging Findings and Recommendations*** (December 2022)

Achievement of intended results in the \$93 billion [IDA20 financing package \(2022-2025\)](#) will require an enhanced focus on efficient implementation of a larger volume of projects with accountability in use of funds. Fortunately, IDA is intensifying its highly regarded efforts to help governments address these challenges at a time when the implementing institutions are already stressed dealing with the COVID-19, food, and climate crises. Civil society organizations (CSOs) that already [engage in IDA](#) could constitute an invaluable resource to boost delivery and accountability for results.

In this context, this study examines how best to expand and adequately fund CSO engagement (CSE) in IDA20 to help deliver more and better development results. It is being prepared by [Partnership for Transparency](#) (PTF) with financial support from [Open Society Foundations](#) (OSF). The year-long study follows the call, during by the CSO members of the [Open Government Partnership Steering Committee](#) to establish a CSO window in [IDA20](#). While a window was not established, IDA20 includes commitments for greater social accountability, citizen and CSO engagement and multi-stakeholder platforms (MSPs).

Analysis in the study shows that IDA/World Bank have made significant commitments and progress in promoting citizen and CSO engagement in IDA. 100% of projects now include one or more citizen engagement mechanism and stakeholder engagement plan. 50 out of 75 IDA recipients have set up enhanced grievance redress systems and about one third of IDA recipients have established multi-stakeholder platforms (MSP) for policy making and implementation. It is now necessary to analyze and report on actual implementation and impact of these activities.

The analysis also shows that local CSO engagement in IDA can be expanded to do much more in four areas:

- a) facilitating design and implementation of [citizen](#) and [stakeholder](#) engagement in projects;
- b) providing operational services to supplement project implementing agencies' (IA) efforts;
- c) enhancing accountability and value for money through participating in monitoring and evaluation; and
- d) participating more effectively in [IDA's Country Engagement](#) activities through MSPs, Country Partnership Frameworks, and diagnostics, such as systematic country diagnostics and country climate and development reports.

Adequate funding, which is necessary for CSE to successfully contribute in all four areas, is currently only available in a limited manner. The study found that while project funds are expected to fully fund CSE for areas (a) and (b), explicit funding for CSE is rarely evident in project appraisal documents and information on actual allocations during implementation is not available. While activities under areas (c) and (d) are important for IDA's development, objectives and fiduciary responsibility funding is ad hoc and rare. In addition, funding for capacity building of local CSOs in the four areas is scarce. Small amounts of financing for CSE in all four areas and capacity building are available from trust funds hosted by the Bank (including the [Global Partnership for Social Accountability](#) trust fund that is set to expire), but are negligible relative to needs, not regarded fit for purpose, and involve high transactions costs that discourage their use. *Improvements are needed to adequately fund and monitor CSE in IDA-funded projects and in country engagement activities, as well as for CSE to supplement government accountability systems for use of IDA funds.*

Expansion of CSE in IDA with adequate funding matters as it can: (a) support IAs to deliver higher volume and quality results, especially in remote and conflict-affected areas; (b) enable more inclusive development; (c)

enhance accountability and transparency through independent monitoring; (d) improve value for money through constructive engagement with government accountability institutions; and (e) preserve and expand country systems for local CSE in development policies and programs. *Therefore, this study makes two main sets of recommendations to expand and adequately fund CSE in IDA. Even though the focus is on IDA, per the terms of reference, the recommendations are also applicable to the IBRD and the [World Bank Roadmap](#) initiative.*

Recommendation #1: Expand the level of support and quality of CSE in IDA-financed projects by:

- a) issuing a policy statement and guidance note for the role of CSE¹ in IDA operations and encouraging IAs to increasingly utilize and fully fund CSOs for operational services;
- b) updating the [2014 Citizen Engagement Framework](#) to focus on implementation, funding, reporting metrics, and outcomes on the basis of a comprehensive review of implementation and synergy with the [Environmental and Social Framework](#),²
- c) implementing an action plan based on a review of IDA18 and IDA19 commitments for delivering on the IDA20 commitment “for greater social accountability and citizen engagement”³; and
- d) disclosing searchable and aggregable information on contract awards to CSOs in the [contract award database](#) published by the Bank to enable ex-post monitoring of CSE.

Recommendation #2: Consider establishing a dedicated facility to fill funding gaps for effective local CSE in IDA.

We propose at least the following three components to close the funding gaps (paragraph 4): (a) grants for analytical work to inform local CSO participation in [IDA’s Country Engagement](#) activities, (b) funding CSOs for third-party monitoring (TPM) to enhance accountability of IDA projects with high risks, and (c) capacity building for country engagement and TPM activities.

The establishment of a dedicated funding facility could be achieved by adapting existing or a new free-standing trust fund. *The detailed design of the facility would require a feasibility study and suggested design principles would be included in this study.* The feasibility study would determine the appropriate size of the funding mechanism, but an initial estimate presented in the OSF-PTF study suggests a fund of between \$168 million and \$780 million to target projects where independent TPM is agreed between the recipient and IDA as adding value to other accountability mechanisms already in place. *If the TPM initiative prevents as little as 1% of leakage of IDA funds it would pay for itself.*⁴

The analysis indicated that a dedicated multilateral facility in support of CSE in IDA projects would be better positioned to accomplish the objectives than direct financing from bilateral ODA and foundations. Advantages of a multilateral approach include: (a) coordinated collective action versus fragmented bilateral efforts that sometimes are pushed back; (b) higher political acceptability of local CSE as an integral part of IDA development project and policy structure; (c) leveraging of the Bank infrastructure to oversee accountable CSE; and (d) development of local CSO institutional capacities in tandem with building of effective state institutions in a sustained manner. *In our view, with due advocacy, the proposed facility could attract support from IDA donors and recipients and foundations, which would like to ensure highest possible value for money for their contributions and leverage their contributions to support local CSO engagement in IDA and beyond.*

Status and next steps: An initial draft of the study was reviewed by IDA staff. Their comments and suggestions are being incorporated and PTF expects the *updated draft to be released by the end of December 2022 for consultations with key stakeholders: IDA donors, recipients, and management; foundations; and CSOs.*

¹The Asian Development Bank and Inter-American Development Bank have such statements, but the World Bank’s [Operations Manual](#) and [Civil Society Webpage](#) do not have any such statement/guidance/action plan/reporting.

²No such review has been done since the [IEG evaluation of CE Framework](#) based on data up to June 30, 2016.

³Paragraph 62 of the [IDA20 Replenishment Report](#).

⁴Potential for leakage prevention is evident from the [IDA projects data](#) on the IDA portfolio of 1,718 active projects involving IDA commitments of \$164 billion in IDA and IDA blend countries as of November 12, 2022. About 7% and 14% of these projects (involving \$16 billion and \$29 billion in IDA commitments) were rated ‘High’ for fiduciary and political and governance risks respectively. Lack of effective corruption and financial controls are among the criteria for such a rating.