

**Partnering with Civil Society  
for Citizen-Driven Country  
Engagement, Delivery, and  
Accountability in IDA- and  
IBRD-Financed Operations**



**PARTNERSHIP FOR  
TRANSPARENCY**

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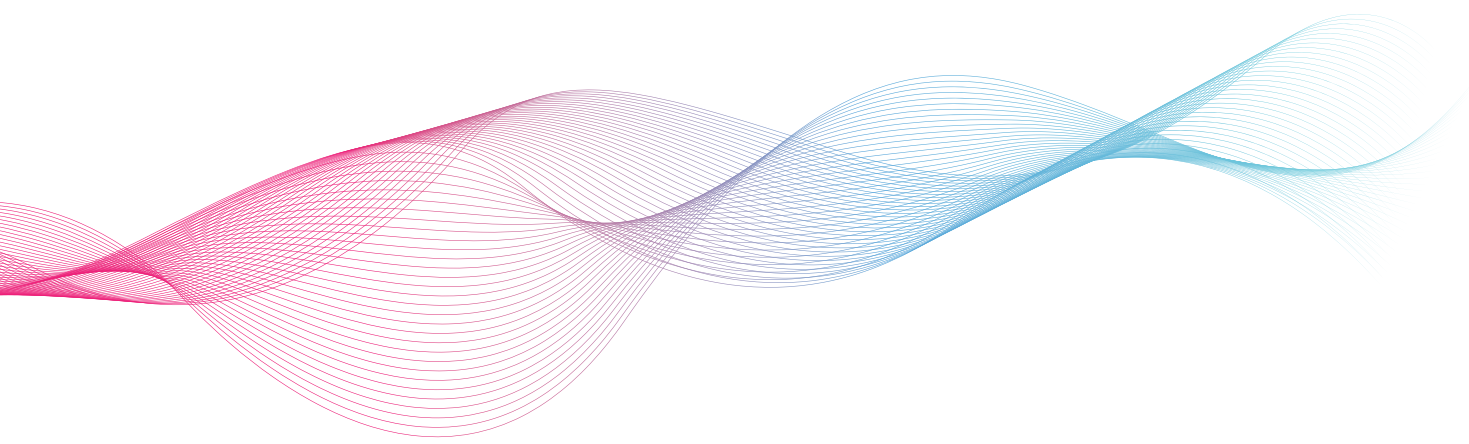
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## Foreword

The historic expansion of the International Development Association (IDA) and International Bank for Reconstruction and Development (IBRD) mission and financing proposed as part of the World Bank Group’s (WBG) Evolution will magnify the challenges of delivering quality results and accountability in the use of funds. Maximizing development impact will require that the World Bank (also referred to as the Bank) works not only with the public and private sectors but also with civil society. The World Bank has long recognized that robust citizen and civil society organization (CSO) participation is central to the development agenda and, in principle, supports their engagement in Bank-supported operations.

The extensive experience of Partnership for Transparency Fund (PTF) members in working at the front lines of World Bank-supported operations has convinced us that civil society has a major role to play in ensuring that World Bank country program design is responsive to citizens’ needs; in supplementing government implementation capacity—particularly in fragile states; and in reducing inefficiencies and corruption. While the space for civil society has narrowed in recent years, CSOs are increasingly vibrant and capable in many of the Bank’s client countries. However, the potential for citizens and CSOs to fully contribute to enhanced development outcomes in Bank-supported programs is constrained by lack of priority attention, operational deficiencies, and financing.

This report is based on a comprehensive, yearlong review of how to expand and adequately fund citizen and CSO engagement (CSE) in IDA- and IBRD-financed operations. The report was supported by the Foundation to Promote Open Society (FPOS) and carried out with the knowledge and cooperation of Bank staff and consultations with key stakeholders, including Bank shareholders and civil society. Although the Bank has made considerable progress in engaging citizens and CSOs, significant information gaps remain regarding the scope, extent, funding, and outcomes of such engagement. World Bank CSE policies and guidance for engaging with CSOs are also ambiguous and need to be clarified. While the experience of the Bank and other development partners shows that CSOs can make significant contributions to improved development impact, an unsupportive, enabling environment and inadequate funding limit their ability to meaningfully participate in country engagement, projects, third-party monitoring, fiduciary, and other oversight activities.

## Foreword

The report makes ten recommendations in two broad areas to enhance the contribution citizens and CSOs can make to IDA and IBRD country engagement, financing, and accountability. First, the World Bank should deepen and institutionalize CSO engagement in IDA and IBRD operations at the country level for faster delivery of outputs and better results. Second, it should adequately fund deeper partnerships with civil society through project financing when appropriate and establish a facility dedicated to funding CSO engagement in IDA's country engagement and accountability systems. These activities are not covered and/or not appropriate for project financing, and there are no systematic financing sources/mechanisms at the Bank for adequately funding them even though these activities are essential for enhancing the development impact and value for money of the Bank-supported operations. The report details a suggested framework for establishing the proposed funding facility.

The PTF, many of our development partners, and the stakeholders commenting on the Evolution proposals and the IDA believe that the time is right for the IDA and IBRD to take bold steps to rapidly expand citizen and CSO engagement in its operations, as called for under the Evolution road map and in the fast-growing IDA. We call for serious consideration of the report's recommendations during discussions of the Bank's Evolution framework, IDA20 Mid-Term Review meetings, and IDA21 Strategic Directions paper.



## Acknowledgments

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Thanks are given to several groups with whom the PTF team interacted in preparing this report. These include several members of the World Bank's board and IDA deputies; CSO members of the Open Government Partnership (OGP) Steering Committee; Accountability Lab; Oxfam Washington, DC; and members of the World Bank's [Expert Advisory Council for Citizen Engagement](#). The team is deeply appreciative of their input and constructive dialogue.

Finally, it is gratefully acknowledged that this report would not have been possible without the excellent and up-to-date information available in the World Bank's Open Knowledge Repository, IDA projects databases, and Open Finance Data.



## List of Acronyms

<b>CCDR</b>	Country Climate and Development Report
<b>CE</b>	Citizen Engagement
<b>CEM</b>	Country Economic Memorandum
<b>CEN</b>	Country Engagement Note
<b>CFM</b>	Country/Regional Fund Manager
<b>CLR</b>	Completion and Learning Review
<b>CPF</b>	Country Partnership Framework
<b>CPIA</b>	Country Policy and Institutional Assessment
<b>CPSD</b>	Country Private Sector Diagnostic
<b>CSE</b>	Civil Society Engagement
<b>CSO</b>	Civil Society Organization
<b>DAC</b>	Development Assistance Committee
<b>DFI</b>	Development Finance Vice Presidency at the World Bank
<b>DO</b>	Development Outcome
<b>DPO</b>	Development Policy Financing Operations
<b>EAC</b>	Expert Advisory Council for Citizen Engagement
<b>ESF</b>	Environmental and Social Framework
<b>FCDO</b>	Foreign Commonwealth and Development Office (UK)
<b>FCS</b>	Fragility and Conflict Affected Situations
<b>FIF</b>	Financial Intermediary Fund
<b>FPOS</b>	Foundation to Promote Open Society
<b>G-20</b>	The Group of Twenty
<b>GGP</b>	Governance Global Practice
<b>GPSA</b>	Global Partnership for Social Accountability
<b>G&amp;I</b>	Governance and Institutions
<b>GRM</b>	Grievance Redress Mechanism
<b>IA</b>	Implementing Agency
<b>IBRD</b>	International Bank for Reconstruction and Development
<b>ICR</b>	Implementation and Completion Report

## List of Acronyms

<b>IDA</b>	International Development Association
<b>IEG</b>	Independent Evaluation Group
<b>IPF</b>	Investment Project Financing
<b>ISR</b>	Implementation Status and Results Report
<b>MDB</b>	Multilateral Development Bank
<b>MDTF</b>	Multi-Donor Trust Fund
<b>MSP</b>	Multistakeholder Platform
<b>NGO</b>	Nongovernmental Organization
<b>OECD</b>	Organization for Economic Co-operation and Development
<b>OGP</b>	Open Government Partnership
<b>OM</b>	Operations Manual
<b>OSF</b>	Open Society Foundation
<b>PDO</b>	Project Development Objective
<b>PEA</b>	Poverty and Equity Assessment
<b>PforR</b>	Program for Results
<b>PFR</b>	Public Finance Review
<b>PLR</b>	Performance and Learning Review
<b>PTF</b>	Partnership for Transparency Fund
<b>SCD</b>	Systematic Country Diagnostic
<b>SE</b>	Stakeholder Engagement
<b>SEP</b>	Stakeholder Engagement Plan
<b>SORT</b>	Systematic Operations Risk-Rating Tool
<b>SSI</b>	Social Sustainability and Inclusion
<b>STEP</b>	Systematic Tracking of Exchanges in Procurement
<b>TF</b>	Trust Funds
<b>TOC</b>	Theory of Change
<b>TPM</b>	Third-Party Monitoring
<b>WBG</b>	World Bank Group
<b>WDR</b>	World Development Report





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## Executive Summary

“The World Bank will deepen its partnership with civil society, especially at the country and regional levels, to make the evolution process more effective.”

—[Ending Poverty on a Livable Planet: A Report to Governors on World Bank Evolution](#), World Bank, September 28, 2023

- 1. Purpose.** This report presents analysis and recommendations for consideration by the [IDA](#) and [IBRD](#) (referred to collectively as the Bank or the World Bank) as they develop action plans to accomplish the [Evolution](#) goal of deepening partnerships with civil society at the country level when expanding operations under IDA21 and IBRD. It argues that in the bigger and better IDA and IBRD, a deeper partnership with civil society—beyond consultations—will boost delivery with results, promote country-led development, and enhance accountability in the use of funds (as called for in the Evolution and the [G20 Independent Experts Group report on Strengthening Multilateral Development Banks \[MDBs\]](#)).

While endorsing the plans for a bigger and better Bank, the report analyzes and makes ten recommendations for expanding and financing deeper partnerships with citizens and CSOs in IDA- and IBRD-supported operations to improve the quality of spending and help attain more inclusive, equitable, sustainable, transparent, and accountable results.

- 2. Background, scope, methodology, and consultations.** The report was initiated following the [call](#) in mid-2021 by the CSO members of the [steering committee](#) for the 75-country [Open Government Partnership](#) (OGP) for expanded roles and financing for CSOs in the IDA. Its scope was expanded to cover the [World Bank Group Evolution Roadmap](#) initiated in December 2022. The recommendations apply to the IDA and IBRD as both are governed by the same set of operational policies. The report is limited to CSO engagement in World Bank activities at the country level; engagement at the regional and global levels, while important, is beyond its scope. The report is based on a review of documents/studies (by the Bank and others) and interactions with stakeholders (i.e., the IDA team, the Bank’s [Board of Directors](#), the Bank managers and staff, and the OGP Steering Committee). A [consultation draft](#) of

the report was launched at a [Center for Global Development](#) event in December 2022, and five webinars were organized in January–June 2023 to consult CSOs in the global south. The report takes into account the feedback received during the consultations and is being shared with the Bank as it works on the Bank’s Evolution, IDA20 Mid-Term Review, and IDA21 Replenishment in 2023–24.

3. **Deepening partnerships with civil society should be responsive to stakeholder views.** According to the World Bank,<sup>1</sup> over 1,000 stakeholders provided comments during consultations on the March 2023 draft of the [Evolution paper](#). Key feedback was that the Bank should seek “*greater engagement with civil society; more emphasis on transparency and accountability; improving governance and anti-corruption measures; and improving World Bank agility and efficiency.*” The [Group of 20](#) (G-20) has endorsed the report of the [G20 Independent Experts Group report on Strengthening Multilateral Development Banks \(MDBs\)](#) that calls on MDBs to “*engage local communities and civil societies*” as part of the five priority areas for converting operational models of MDBs (including the World Bank). On September 1, 2023, the civil society members of the OGP, in close coordination with PTF, issued a [statement](#) calling upon the Bank “*to rethink, expand, and finance the involvement of civil society organizations (CSOs) in the Bank’s work, including through the proposed expansion of financing by IDA and the IBRD.*” This statement has been endorsed by more than 200 CSOs around the world. The [International Rescue Committee](#) has proposed greater use of partnerships with civil society in fragile and conflict situations.
4. **Efforts to deepen partnerships can build on four decades of Bank-CSO engagement and address outstanding challenges.** Citizen and CSO engagement is now well integrated into country engagement activities, and multistakeholder platforms (MSPs) exist in 32 (40% of all) IDA-eligible countries. The report takes note of progress and presents recommendations for addressing remaining challenges in the following areas:
  - a. World Bank policies and staff guidance for collaboration with civil society
  - b. Local CSO participation in the enhanced country engagement model
  - c. Civic space for citizen, stakeholder, and CSO engagement
  - d. CSO engagement to boost delivery and results
  - e. CSO engagement to enhance accountability and prevent corruption in the use of funds
  - f. Direct funding for partnerships and capacity building with local CSOs
5. **Deepening partnerships should begin with clarifying Bank policy and staff guidance on collaboration with CSOs.** A Bank policy statement on [CSO engagement](#) was in place from 1981 until about [2012](#). However, unlike other MDBs, this CSO engagement policy and associated staff guidance are no longer featured in the Bank’s current [Operations Manual](#) (OM). The Bank’s last progress report on collaboration with CSOs is more than a decade old, and the Bank’s [contract awards database](#) cannot be queried for contract awards to CSOs. Early drafts of the Evolution proposals did not mention partnerships with CSOs.

<sup>1</sup> As reported in [Ending Poverty on a Livable Planet: A Report to Governors on World Bank Evolution](#), World Bank Group, 2023.

**Recommendation #1:** Issue a comprehensive statement to clarify policies for collaboration with CSOs beyond consultations; reinstate staff guidance, including for explicit funding within the project life cycle for planned CSO engagement and periodic progress reporting with measurable indicators; and make contract awards to CSOs searchable in the contract awards database to facilitate ex post monitoring.

## A. Deepening Partnerships with Civil Society at the Country Level

- 6. Expanding meaningful local civil society participation at the country level requires technical and financial support.** Consultations with civil society are the main area of current Bank-CSO engagement. However, CSOs from the global south indicate that consultations organized by the Bank often appear tokenistic, and the lack of funding for analytical work is a major constraint to their substantive participation. The efforts to deepen partnership with civil society need to go beyond consultations to cover other key roles of civil society (i.e., helping implement citizen and stakeholder engagement, public service delivery, operational services to implementing agencies, and carrying out third-party monitoring and other oversight activities).

Expanding direct support for local CSOs would align with the Bank's goals of supporting country-owned development and the Knowledge Compact's commitment under the [Evolution](#) to provide training and capacity building for clients. At present, the Bank has no systematic financing source for such support.

The Bank could also more effectively promote locally led development by expanding the use of MSPs supported under IDA19 as well as the [MSPs](#) established by the [Open Government Partnership](#) in 75 countries (many are IDA/IBRD members) and 104 local governments. Direct Bank funding of local CSOs could help alleviate some of the [barriers](#) they face in accessing bilateral funding.

**Recommendation #2:** Expand opportunities for local CSO participation in the enhanced country engagement model and knowledge work by (a) updating the business processes for meaningful CSO knowledge inputs, especially in core analytics and global challenge programs; and (b) expanding and strengthening the use of multistakeholder platforms such as those established under IDA19 and by the Open Government Partnership.



**Recommendation #3:** Institute a program to provide direct grants to local CSOs for analytical work to enable meaningful participation in core analytics and country-owned multistakeholder platforms. Such funding would enhance country ownership, inclusivity, and the integration of local knowledge.

7. **Adequate civic space is essential for implementing the Bank’s citizen, stakeholder, and CSO engagement included in Bank-supported operations.** Bank borrowers have a legal obligation to take all actions to enable the effective implementation of Bank-financed projects and programs. As a standard operating procedure, the Bank should assess the civic space for implementation of citizen and CSO engagement, access to information, and redress for grievances and reprisals in the operations it supports. Currently, the Bank does not guide staff to assess civic space or collaborate with clients on appropriate measures to ensure the effective implementation of these activities.

**Recommendation #4:** Direct staff to conduct civic space assessments during country engagement and project design processes to ensure space for planned citizen, CSO, and other stakeholder engagement. Include appropriate country performance indicators on civic space in the proposed redesign of the corporate scorecard and accompanying M&E systems, and in the Country Policy and Institutional Assessment Guidelines.

8. **Expanding CSO engagement in Bank-financed projects and programs can boost delivery and results.** Implementing agencies face significant absorptive and delivery capacity challenges. According to risk assessments by Bank staff, as of January 19, 2023, about 52 and 59% of the [total active projects](#) financed by IBRD and IDA respectively face “high” or “substantial” risks that institutional capacity limitations could adversely impact project implementation and/or results. These challenges will become more acute as the volume of development assistance rapidly expands. Many Bank-supported projects already contract CSOs to supplement government efforts. While engaging CSOs to supplement government efforts may not solve all challenges, it could result in faster and better implementation than by governments acting alone. CSOs can boost citizen-centric delivery and results without slowing down project processing times in at least three ways:
- a. CSOs can engage in service delivery and facilitate the design and implementation of [citizen](#) and [stakeholder](#) engagement activities in a given project;
  - b. CSOs can provide contractual services to project implementing agencies (IAs), especially in fragile, conflict, and violent (FCS) situations; and

- c. CSOs can carry out/facilitate third-party monitoring to improve process legitimacy, grievance redress, results, and responsiveness to beneficiary needs.

**Recommendation #5:** Update the citizen engagement framework, with due public consultations, as part of the new operating model. The update should elaborate on the role of CSOs in facilitating citizen engagement in financing and country engagement activities and emphasize the quality of implementation, earmarking of adequate funding for citizen and CSO engagement, and monitoring of outputs and outcomes.

**Recommendation #6:** Assess the adequacy of staff deployment and incentives in country offices to facilitate citizen and CSO engagement and augment as needed.

**Recommendation #7:** Issue staff guidance to expand and monitor citizen and CSO-led third-party monitoring to improve process legitimacy and results in investment projects, program for results, and development policy financing.

- 9. **Expanded partnerships with citizens and CSOs can improve public finances and prevent waste, fraud, and corruption.** Leakages due to waste, fraud, and corruption are inconvenient truths in public expenditures in all countries. The Bank recognizes this and assesses fiduciary and governance (including fraud and corruption) risks for every country and lending operation.

The [2022 Country Policy and Institutional Assessment \(CPIA\) ratings](#) for IDA-eligible countries show that 69% of the rated countries had a rating of 3 or less on a scale of 1 (low) to 6 (high) on “transparency, accountability, and corruption.” As of January 19, 2024, about 17% and 36% of the \$120 billion in total IDA commitments for all [active projects](#) were at “high” fiduciary and governance risks, respectively (comparative figures for IBRD commitments of \$152 billion for all [active projects](#) were 15% and 23%). These risks will magnify as the IDA and IBRD expand financing, especially for budget support loans called Development Policy Operations.

The Bank relies on borrowers’ transparency and accountability systems and its own procurement and financial management policies to address these risks. While this is appropriate, experience shows that relying on governments alone to combat corruption is neither sufficient nor effective. Civil society plays a key role in exposing and preventing corruption. Stakeholder feedback on the Evolution urged *“more emphasis on transparency and accountability; improving governance and anti-corruption measures.”*



The Bank's anti-corruption strategy calls for CSOs to play a vital role in identifying and preventing waste, fraud, and corruption, and its [Vice President for Integrity](#) has [said](#): “We must also support the watchdogs and advocates on the ground, including civil society organizations and independent media, who often become aware of misconduct first when it occurs.” The [G20 Independent Experts Group report on Strengthening Multilateral Development Banks \(MDBs\)](#) noted: “Engaging local communities and civil society in advocacy, monitoring, and problem-solving, through transparent and publicly available project data, can mitigate risks of waste and misuse of public funds.”

**Recommendation #8:** Establish the baseline and increase the attention devoted to using social accountability and demand side of governance approaches in core analytics (including global challenge programs), enhanced country engagement, and financing at the country level.

**Recommendation #9:** Expand, deepen, finance, monitor, and report partnerships with citizens and CSOs to detect and prevent waste, fraud, and corruption and fund such partnerships at a scale proportionate to the challenges involved. In particular, promote partnerships among local civil society and independent in-country accountability institutions.

## B. Adequately Funding Deeper Partnerships with Civil Society

10. **Deeper local CSO involvement in IDA/IBRD [country engagement](#) and [financing](#) operations needs to be adequately funded to ensure country-owned and inclusive development.** Detailed analysis of available information indicates that major funding gaps limit meaningful local CSO involvement in country engagement, multistakeholder platforms, and oversight of Bank-supported operations to improve impact, accountability, and value for money.
  - a. *While project financing for citizen and CSO engagement is available in principle, in practice, it is rarely evident in project approval, supervision, and completion documents.* To fix these issues, staff guidance, reporting requirements, and monitoring and evaluation metrics need to be improved.
  - b. *There is no systematic financing source to support citizen and CSO involvement in the Bank's [country engagement](#) activities and multistakeholder platforms.* Local CSOs require funding to conduct analytical work for substantive participation in these activities, but project financing cannot be used for this purpose.

- c. Some [trust funds \(TF\)](#) and [financial intermediary funds \(FIF\)](#) hosted by the Bank can finance CSOs, but they are focused on sectors, funding amounts are negligible, and objectives do not include funding CSO participation in country engagement work, multis-takeholder platforms, or anti-corruption activities. Only one trust fund, the [Global Partnership for Social Accountability \(GPSA\)](#), is dedicated to funding CSOs. It has granted about \$5 million annually in the past 10 years and is set to expire in 2026.
- d. *Funding for citizen and CSO-led third-party monitoring (TPM) is rare and ad hoc.* According to the World Bank monitoring, during 2018–2021, only about 4% of more than 1,000 projects approved by the IDA/IBRD referenced citizen-led monitoring, and it is not known how many are financing and implementing it. CSOs are eligible to be appointed as independent verification agents under the Program for Results lending, but in practice, most such agents are consulting and/or accounting firms.
- e. *Many bilaterals and foundations provide direct financing to CSOs, but only a small fraction flows to local CSOs, and funding CSO engagement in IDA/IBRD operations and/or anti-corruption is miniscule.* [Analysis of data from the Organization for Economic Co-operation and Development \(OECD\) and the Development Assistance Committee \(DAC\)](#) (included in the report) shows that the bulk (86%) of direct official development assistance (ODA) to CSOs is earmarked for bilateral programs. It is mainly disbursed to international CSOs, and only a fraction (less than 1%) trickle down to the local CSO. DAC members seem to compartmentalize bilateral and multilateral funding. An analysis of 2017–2021 commitments for the sector category “Anti-Corruption Organizations and Institutions,” where NGOs were the implementing channel, reveals amounts that are only a tiny fraction of the 1% flowing to all CSOs.

**Recommendation #10:** IDA partners consider establishing a Bank-housed facility to close funding gaps for the participation of local CSOs in [IDA country engagement](#) and accountability activities. Such a funding facility could initially:

- a. provide grants to local CSOs for analytical work to enable their meaningful participation in the IDA’s country engagement activities, including the updated core analytics;
- b. finance CSO-led independent TPM and other oversight activities to enhance process legitimacy, verify and improve results, and prevent and expose waste, fraud, and corruption in government spending; and
- c. support programs to build the technical capacity of local CSOs to participate in country engagement and TPM activities.

11. **While funding gaps for local CSOs exist in both IDA and IBRD countries, the report recommends that the local CSO funding facility begin with IDA countries.** IDA countries have more acute needs for donor funding, as well as relatively greater requirements to



develop capacity and supplement implementation and accountability systems. In addition, foundational work on citizen engagement under the IDA18-20 governance priority provides a basis on which to build. The potential to increase country allocations—by engaging with CSOs to improve portfolio performance and CPIA2 scores under the public sector management and institutions cluster—acts as an incentive for IDA recipient governments. The facility’s multilateral and localization focus would complement rather than compete with or substitute bilateral programs that fund CSOs. It would likely have greater acceptability among IDA recipients, given their participation in IDA governance and the apolitical nature of the IDA.

- 12. Investing a tiny fraction of the proposed hundreds of billions of dollars in development assistance to expand partnerships with local CSOs could have a huge payoff.** The principle and practice of governments and MDBs (including the World Bank) paying for systems to control leakages and corruption is well established, though insufficient. Increasing this investment by a very small amount to fund partnerships with civil society that would supplement current efforts to prevent waste, fraud, and corruption should be considered a prudent action to safeguard the additional hundreds of billions of dollars in proposed development assistance.

The IDA contributing to the facility would also incentivize private donors to contribute to such a facility and enhance public trust in both recipient and donor countries, strengthening support for IDA replenishments. All these reasons make a compelling case for the Bank and other development partners to contribute to such a facility. If it prevents leakages of even 1%, this investment will most likely pay for itself.

- 13. Suggested parameters for the proposed facility.** The facility should be geared toward closing funding gaps. It could be set up by adapting existing vehicles such as [GPSA](#) or establishing a new free-standing financial intermediary multi-donor trust fund. Its scope, scale, and funding modalities should focus on the funding gaps and objectives articulated in Recommendation #9.

The report suggests a framework for establishing the proposed funding facility that could inform a feasibility report commissioned by IDA partners or others. As funding CSOs requires local knowledge and presence, a good model could be to designate a country or region-based CSO as a country/regional fund manager to administer a small grants program for local CSOs. A small global secretariat could select the country or regional fund managers and oversee the facility. Several trust funds hosted by the Bank utilize such a model. Multistakeholder platforms (where they exist or could be established) could set priorities for analytical work for country engagement activities. The IDA and client governments could identify IDA-funded operations that would benefit from CSO-led TPM and refer them to the facility’s management to select, fund, and oversee CSOs doing the

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2 The IDA determines “country allocation” for each IDA recipient using a combination of the country performance rating (CPR) and financing needs (assessed by population and gross national income per capita). For a description, see annex 3 in the [IDA20 Replenishment report](#). International Development Association, *IDA20 – Building Back Better from the Crisis: Toward a Green, Resilient and Inclusive Future* (Washington, DC: World Bank Group, 2022), 120.

work. These arrangements would help ensure that activities are carried out independently but receive consideration by the relevant authorities.

- 14. Potential funding sources for the proposed facility.** As noted above, it would be in the IDA's interest to contribute to the facility as it would realize direct and significant benefits, including increased development effectiveness due to locally led and country-owned development efforts; better results through TPM; and improved control of waste, fraud, and corruption that could potentially sustain and increase country IDA allocations. These benefits would also appeal to IDA borrower governments.

It would also be logical for the Bank to contribute, given that the facility would help the Bank undertake its fiduciary responsibilities. Appropriate advocacy could attract support from IDA donors and foundations that are concerned about ensuring value for money, country-owned development, and enhanced capacity of local CSOs. Meaningful contributions by the IDA and the Bank would increase the likelihood of their support. The feasibility report would estimate the size and financing requirements of the facility.

Using a simple model, the report estimates between \$60–225 million per year would be needed, depending on the number of countries for promoting local CSO engagement and the number of projects monitored. Enhanced results and prevention/reduction in waste, fraud, and corruption mean that financial returns on allocations would be high. The initiative would pay for itself if it prevents or exposes as little as 1% of financial leakages in the Bank's financing portfolio.

## C. Way Forward

- 15. The Bank's commitment to “deepen partnerships with civil society” needs to be followed by a strategy and business plan developed with stakeholders, including civil society.** Deepening partnerships will be difficult for many in governments and the Bank who subscribe to the narrative that CSOs are troublemakers that must be managed. This narrative would have to be changed by defining and communicating what partnerships entail beyond consultations and where and how to deepen them. It would also require recognizing that partnerships cannot be unfunded mandates. Proactive staff efforts with due policy and operational guidance, incentives, and support would be necessary. As is evident from stakeholder feedback on the Evolution and calls by the G-20 and OGP, business-as-usual and tokenistic CSO engagement would be a huge missed opportunity to improve for clients. The time is right to take bold actions to rethink, rapidly expand, and adequately finance the involvement of CSOs in the Bank's new operating model. The effort should begin by clarifying what the Bank means by “partnerships,” “deepening,” and “civil society.”
- 16. Deepening partnerships with civil society, beyond consultations, in the historic expansion of the IDA and IBRD would have considerable benefits.** It would potentially (a) enhance implementation and delivery by supplementing government efforts; (b) increase inclusion, trust in government, and locally led development; (c) lead to better results through independent CSO monitoring; and (d) expose and prevent waste, fraud, and corruption

through oversight activities. Because of its global multilateral presence, close and trusted long-term relationships with clients, and operationally apolitical mandates, the Bank is also uniquely positioned to support civic space in its member countries through non-project-related funding for CSO activities.

17. **Collaboration with and funding for CSOs are not new mandates for the Bank.** In 1981, the Bank's board was the first among the MDBs to approve a policy on relations with NGOs in Bank activities. In 2012, the Bank shareholders unanimously approved a GPSA to directly fund CSOs with an opt-in provision for countries. To date, [55 countries have opted in](#). It is noteworthy that the Bank was able to find a way to go beyond its original mandate of funding creditworthy governments to fund the private sector by establishing the [International Finance Corporation](#) and to fund non-creditworthy countries by establishing the [IDA](#). The Bank is now considering concessional financing for IBRD borrowers. It is now time to institutionalize collaboration with and a funding mechanism for CSOs, given their emergence as major development players and the roles they can play in the delivery of more and better results with enhanced accountability.
18. **This report presents ten recommendations for Bank shareholders, management, and the broader community of stakeholders.** Work being done by the Bank—to develop a partnership charter (called for under the Evolution), the new playbook for delivery, an enhanced country engagement model, pilot global challenge programs, a knowledge compact, the “*review of how IDA is partnering with other development actors*” (an [IDA20](#) Mid-Term Review deliverable), and a strategic directions paper for IDA21—provide suitable entry points when considering these ten recommendations for deepening partnerships with CSOs beyond consultations. The PTF will continue to advocate for the recommended actions during the Bank's Evolution work and the IDA21 Replenishment discussions.



# I. Introduction

“Agenda 2030 is clear on the need to engage civil society organizations (CSOs) in implementing and monitoring the Sustainable Development Goals. Given their capacity to bring the voices of those on the frontlines of poverty, inequality, and vulnerability into development processes, CSOs have a particular role to play in ensuring no one is left behind.”

—OECD<sup>1</sup>

1. **Context.** The International Development Association ([IDA](#)) and the International Bank for Reconstruction and Development ([IBRD](#)) (referred to collectively as the World Bank<sup>2</sup> or the Bank in this report) are the largest providers of multilateral finance to developing countries. They are poised for a historic expansion of their mission and financing as called for in the World Bank Group (WBG) [Evolution paper](#) and the [G20 Independent Experts Group report on Strengthening Multilateral Development Banks \(MDBs\)](#).<sup>3</sup> The Evolution paper endorsed by the Bank’s shareholders promises to “deepen partnership with civil society,” but the strategy and action plan for the deepening have yet to be worked out. In this context, this report presents analyses and recommendations for IDA and IBRD consideration for deepening partnerships with civil society (citizens and CSOs) in IDA- and IBRD-supported operations at the country level.

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1 OECD, *The Development Dimension: Development Assistance Committee Members and Civil Society* (Paris: OECD Publishing, 2020), 3. <https://doi.org/10.1787/51eb6df1-en>.

2 The [International Development Association](#) (IDA) provides low-interest loans and grants to the world’s 74 poorest countries, while the [International Bank for Reconstruction and Development](#) (IBRD) focuses on middle-income and creditworthy low-income countries. Both follow the same operational policies and are part of the [World Bank Group](#) (WBG). The Group also includes the [International Finance Corporation](#) (IFC), the [Multilateral Investment Guarantee Agency](#) (MIGA), and the [International Centre for Settlement of Investment Disputes](#) (ICSID).

3 G20-IEG, *Strengthening Multilateral Development Banks: The Triple Agenda* vol. 1 and 2 (Independent Experts Group, 2023). [MDBs covered by the G20 Independent Expert Group report](#) include the following: African Development Bank, African Development Fund, Arab Bank for Economic Development in Africa, Asian Development Bank, Asian Infrastructure Investment Bank, Black Sea Trade and Development Bank, Caribbean Development Bank, Central American Bank for Economic Integration, Council of Europe Development Bank, Development Bank of Latin America, European Bank for Reconstruction and Development, European Investment Bank, IDB Invest, Inter-American Development Bank, International Bank for Reconstruction and Development, International Development Association, International Finance Corporation, International Investment Bank, Islamic Development Bank, New Development Bank, North American Development Bank.

- 2. Background, scope, methodology, and consultations.** The report was initiated following the [call](#) in mid-2021 by the CSO members of the [Steering Committee](#) for the 75-country [Open Government Partnership](#) (OGP) for expanded roles and financing for CSOs in the IDA. The Terms of Reference for this report (annex 1) posed the question: “*How the World Bank can finance its commitment to citizen and stakeholder engagement in ways that ensure CSOs have the resources they need to facilitate such engagement, including for independent monitoring of IDA operations.*”

The report was prepared by the [Partnership for Transparency Fund](#) (PTF) advisers with partial financial support from the [Foundation to Promote Open Society](#) (FPOS). Its scope was expanded to cover the [WBG Evolution](#) initiated in December 2022. The recommendations apply to the IDA and IBRD as both are governed by the same set of operational policies. The report is limited to CSO engagement in Bank activities at the country level; engagement at the regional and global levels is important but beyond the scope of this report. The report is based on a review of documents/studies (by the Bank and others) and interactions with stakeholders (i.e., the IDA team, the Bank’s Executive Board and staff, the OGP Steering Committee, and the World Bank’s [Expert Advisory Council for Citizen Engagement](#)).

A [consultation](#) draft of the report was launched at an [event](#) at the Center for Global Development in December 2022, and five webinars were organized during January–June 2023 to consult CSOs in the global south. This final report takes into account the feedback received during the consultations.

- 3. The target audiences for the report include IDA/IBRD shareholders and management and CSOs interested in these institutions’ work and effectiveness.** The report is being shared with the Bank’s management and Board of Executive Directors as they work on the Bank’s Evolution, IDA20 Mid-Term Review, and IDA21 Replenishment in 2023–24. The report would also interest foundations/international NGOs seeking to leverage their contributions to the trust funds and global partnerships at the Bank to influence civil society engagement in the IDA/IBRD portfolio, the localization agenda,<sup>4</sup> and the protection and expansion of civic space.
- 4. The deepening partnerships with civil society need to be responsive to stakeholder calls.** Over 1,000 stakeholders from around the world provided comments during the consultations on the April 2023 draft of the Evolution paper. One of the key feedback items was that the Bank should seek “*greater engagement with civil society; more emphasis on transparency and accountability; improving governance and anti-corruption measures; and improving World Bank agility and efficiency.*”<sup>5</sup>

4 Localization refers to country ownership and leadership in the design and implementation of development policies and programs by expanding local players’ participation and control. For a discussion of the localization agenda and issues, please see the following: “[DAC Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance](#)” (OECD Legal Instruments, 2021); [Localization and Civic Space](#) (Washington, DC: International Center for Not-for-Profit Law, ND); [Local Capacity Strengthening Policy](#) (USAID from the American People, 2022).

5 World Bank, [Ending Poverty](#).

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The [G20 Independent Experts Group report on Strengthening Multilateral Development Banks \(MDBs\)](#) includes “engage local communities and civil societies” among the five priority areas for converting operational models of MDBs (including the World Bank) and states that “engaging local communities and civil society in advocacy, monitoring and problem-solving, through transparent and publicly available project data, can mitigate risks of waste and misuse of public funds.”<sup>6</sup>

On September 1, 2023, the civil society members of the OGP, in close coordination with PTF, issued a [statement](#) calling upon the Bank “to rethink, expand, and finance the involvement of civil society organizations (CSOs) in the Bank’s work, including through the proposed expansion of financing by [IDA](#) and the [IBRD](#).” This statement has been endorsed by more than 200 CSOs around the world.

The International Rescue Committee has proposed greater use of partnerships with civil society in fragile and conflict situations.

- 5. There is positive evaluative evidence for the Bank that citizen and civil society engagement improves development effectiveness.** This evidence has been comprehensively reviewed by the World Bank<sup>7</sup> and others over the years, and a summary of reviews is included in annex 2. The WBG’s [evaluation of the citizen engagement framework](#) found that “engaging citizens in development operations can have a tangible impact on the quality of services and on development outcomes. Evidence from this evaluation’s case studies agrees with the literature that if the conditions of high-quality design and implementation are met, and activities are well-embedded in the local context, impact on development outcomes is more likely (and vice versa).”<sup>8</sup> The Bank’s “[Citizen Engagement](#)” webpage states: “Growing evidence suggests that, under the right conditions, meaningful forms of citizen engagement and social accountability (CESA) can result in better governance, citizen empowerment, more positive and constructive citizen-state relations, strengthened public service delivery, and, ultimately, enhanced development effectiveness and well-being.”

Key findings from evidence-based reviews show that civil society (citizens and CSOs) engagement in development programs and policies has produced one or more of the following outcomes when the context is supportive and engagement is financially supported and sustained:

<sup>6</sup> G20-IEG, [Strengthening MDBs](#), vol. 2: 28, 30.

<sup>7</sup> The World Bank has assessed evidence on CE/CSE development on at least five occasions during the past two decades: (a) the [World Development Report 2004: Making Services Work for Poor People](#); (b) in 2012 as part of [Board Paper #67581](#) establishing the GPSA; (c) in 2014 as part of the [Strategic Framework for Mainstreaming Citizen Engagement report](#); (d) IEG, as part of its [evaluation of the CE mainstreaming strategy](#), did a literature review; and (e) the [2017 World Development Report on governance and law](#) examined the role of citizens in improving governance. PTF, in 2019, reviewed over 30 studies and meta-studies that synthesize hundreds of other studies, including the nearly 250 projects PTF has supported around the world. The findings are discussed in chapter 3 of the PTF report and summarized in annex 1. Vinay Bhargava et al., [Expanding Civil Society Contributions to the Governance Agenda of Sustainable Development Goals and International Financial Institutions](#) (Partnership for Transparency Fund, 2019).

<sup>8</sup> Independent Evaluation Group, [Engaging Citizens for Better Development Results: An Independent Evaluation](#) (Washington, DC: World Bank Group, 2018). This evaluation includes both a literature review and country case studies.

## I. Introduction

- a. Increased citizen awareness, knowledge, and understanding of their rights and responsibilities
- b. Improved implementation through constructive engagement with authorities
- c. Increased access, broadened inclusion, and community participation in basic services
- d. Improved grievance redress
- e. Improved quality of services and reduced waste and corruption
- f. Increased government responsiveness to community needs
- g. Enhanced accountability and trust in the state

6. **The Bank’s recent initiatives to update citizen and stakeholder engagement frameworks and deepen partnerships with civil society are welcome, but details remain to be determined.** While preparing this report, Bank management and staff acknowledged the need to update the [2014 Citizen Engagement Framework](#) and launched a strategic review in mid-2022. The September 2023 version of the [Evolution](#) paper commits to deepening the partnerships with civil society and notes that *“enhanced civil society engagement and other country-level partnerships will provide critical inputs to World Bank investments to better reach clients. Encouraging citizen engagement and social accountability in World Bank work will also enhance accountability and governance.”*

As of the end of December 2023, we understand the Bank is working on an enhanced country engagement model, a new corporate scorecard, streamlining the Environment and Social Framework, establishing a successor to the GPSA, and developing a plan to deepen partnership with civil society in the IDA and IBRD. While we welcome and appreciate the Bank’s responsiveness, the details of actions and monitoring arrangements to track progress will matter. The detailed analysis and recommendations presented in this report on all these areas aim to provide inputs into the Bank decision-makers (management and shareholders) and the broader group of stakeholders’ thinking and actions.

7. **Structure of the report.** Chapter II reviews the evolution of Bank policies for engaging civil society and presents recommendations for clarification. Chapter III discusses entry points and actions for enhancing partnerships with civil society in the Bank’s current and enhanced [country engagement](#) products and country-owned multistakeholder platforms (MSPs). Chapter IV discusses the roles citizens and CSOs play in boosting delivery and results in IDA/IBRD-[financed operations](#) and challenges that need to be addressed to effectively deepen their roles. Chapter V discusses how partnerships with CSOs can improve governance and combat corruption. Chapter VI analyzes the availability of financing for deepening partnerships with civil society. Chapter VII outlines a framework for establishing a funding facility dedicated to closing the existing gaps in funding CSO engagement in the IDA. Chapter VIII discusses the way forward.



## II. World Bank Policies for Civil Society Engagement (CSE)

“The World Bank will deepen its partnership with civil society, especially at the country and regional levels, to make the evolution process more effective.”

—World Bank<sup>1</sup>

1. **Evolution of Bank policies for civil society (citizen and CSO) engagement (CSE).** The Bank acknowledges that civil society engagement can improve development outcomes in the programs it finances. Over a long time, it has accordingly introduced policies that have progressively promoted collaboration with CSOs and, subsequently, citizens/stakeholders’ engagement in its financing and country engagement activities. The policies aim to increase the voice of beneficiaries and other stakeholders in decision-making that affects them with the objective of improving development results. These policies overlap but are not the same (box 1). Specifically, the Bank has taken the following initiatives:
  - a. **1981**—The Bank’s board approved a policy for engagement with CSOs.<sup>2</sup>
  - b. **1989**—The Bank issued an [Operational Directive 14.70 on “Involving Nongovernmental Organizations in Bank-Supported Activities”](#) followed by a Good Practices Note (GP14.70).<sup>3</sup>
  - c. **1990s**—The Bank increased frontline staffing to promote CSO engagement (CSE) and established a civil society fund.<sup>4</sup>
  - d. **2005**—A paper on [“Issues and Options for Improving Engagement between the World Bank and Civil Society Organizations”](#) was prepared and presented to the board.
  - e. **2009**—A [Guidance Note on Multistakeholder Engagement](#) outlined the legal and policy basis for working with CSOs, the media, and parliaments.

1 World Bank, [Ending Poverty](#), para. 31.

2 World Bank, [“Civil Society”](#) (World Bank Group, 2023).

3 This policy and good practices note are no longer in the Bank’s Operations Manual.

4 Frontline staffing information is from para. 3.38 of the assessment. International Bank for Reconstruction and Development et al., [Assessment of the Strategic Compact](#) (International Bank for Reconstruction and Development, 2001).



## II. World Bank Policies for Civil Society Engagement (CSE)

- f. 2008–2010—CSOs participated in 82% of more than 1,000 projects funded by the Bank. Funding for CSOs was reported to be about \$645 million according to the [Bank's review of CSE during FY2010-12](#).<sup>5</sup>
- g. 2010–2020—Successive [IDA replenishments](#) made specific commitments to promote/require CE/CSE (annex 4).
- h. 2012—CSE for improving governance and reducing corruption became an integral part of the Bank's [governance and anti-corruption strategy](#), and the Bank established a [Global Partnership for Social Accountability](#) (GPSA) solely dedicated to funding CSOs.
- i. 2014—The Bank adopted a [Strategic Framework for Mainstreaming Citizen Engagement \(CE\) in World Bank Group Operations](#).
- j. 2018—The World Bank [Environmental and Social Framework](#) (ESF) mandated [stakeholder engagement plans](#) (SEP) in all investment projects and included CSOs among “Other interested parties.”

### Box 1: Citizen (CE), Stakeholder (SE), and CSO Engagement

These three agendas overlap but are not the same. A [policy for collaboration with CSOs](#) was introduced in 1981 (updated in 1989), and CSOs engage in Bank operations, but the policy is no longer in the Bank's [Operations Manual](#). A [strategic framework for mainstreaming CE](#) was introduced in 2014. CE is optional and focuses on individuals. SE is mandatory as part of the Economic and Social Framework (ESF) introduced in 2018. According to the Bank management, “*Stakeholder engagement as addressed in the [Economic and Social Framework] ESF is a specific aspect of the broader citizen engagement. The ESF uses two main avenues of stakeholder engagement (consultations and grievance redress), while the strategic framework [for CE] has a broader menu with seven approaches. The ESF obligates the borrower, while citizen engagement is developed through a dialogue with the borrower.*”

**Source:** World Bank Management Response to 2018 [IEG evaluation](#) of CE Strategic Framework (page xxi). Emphasis added.

- 2. **These initiatives have enabled CSOs to play four vital roles in IDA/IBRD-supported operations:**
  - a. *CSOs facilitate the design and implementation of [citizen](#) and [stakeholder](#) engagement in investment projects* to give citizens a decision-making stake in development programs affecting them and to make development outcomes more responsive to their needs.

<sup>5</sup> [World Bank–Civil Society Engagement: Review of Fiscal Years 2010–2012](#) (Washington, DC: World Bank Group, 2013); [Global Partnership for Social Accountability and Establishment of a Multi-Donor Trust Fund](#) (World Bank Group, 2012), 2.

The report found that 27 Bank mechanisms provided \$842 million in funding to CSOs during FY08-10.

## II. World Bank Policies for Civil Society Engagement (CSE)

- b. *CSOs boost government delivery capacity by providing operational services to supplement the efforts of project implementing agencies (IA).* This helps governments deliver more and faster results than what they can do alone. These efforts will be especially helpful as the governments gear up to implement expanded programs under the higher financing levels of the IDA/IBRD. CSOs have helped deliver development services in areas such as promoting inclusion through community engagement and outreach; organizing participatory approaches, such as in Community Demand Driven (CDD) operations; and supporting the implementation of social and environmental development and mitigation components and delivering services in remote areas, especially in fragile, conflict, and violent (FCS) situations.
- c. *CSOs participate in the World Bank's [country engagement activities](#) to enhance inclusion, country ownership, and effectiveness in development policies and programs.* The key [country engagement](#) activities by the WBG include Systematic Country Diagnostic (SCD), Country Partnership Framework (CPF), Performance/Completion Learning Reviews (CLR), Country Climate and Development Report (CCDR), and Country Engagement Notes (CEN). These will be enhanced through the updated set of core analytics.<sup>6</sup>

The Bank policy and business practices for these county engagement products mandate consultation with CSOs. CSOs' expertise is sought to promote inclusion, responsiveness, country ownership, and trust in development policies and programs being supported by the Bank. In addition, the IDA is supporting MSPs in 40% of IDA-eligible countries.<sup>7</sup> These MSPs seek engagement with CSOs, women, and vulnerable groups in policymaking to enhance public participation. The consultations during the country engagement and MSPs provide CSOs with huge opportunities for advocacy, constructive engagement, and influencing development policies and programs.

- d. *CSOs enhance accountability and value for money by enabling citizens and their communities to monitor the implementation, results, and use of funds.* Ensuring accountability in public spending is challenging in all countries, and the countries receiving Bank financing are no exception. CSOs help by providing independent third-party monitoring (TPM)<sup>8</sup> and oversight and demanding that project resources are channeled as intended. They can work constructively with state accountability institutions and media to help ensure that those responsible for diverting resources are held accountable. CSOs also carry out social accountability activities such as public expenditure tracking surveys, public hearings, social audits, community/citizen scorecards, participatory audits, budget or procurement monitoring, and so forth.

<sup>6</sup> See box 2: World Bank, [Ending Poverty](#), 6.

<sup>7</sup> The commitment was “to establish and strengthen platforms for engaging with multiple stakeholders, including women as well as vulnerable groups, in policy-making and implementation to enhance public participation, accountability, and responsiveness.” The list of 30 countries where MSPs were supported, per a policy commitment, is available at: International Development Association, [IDA19 Retrospective: Responding to Multiple Crises on the Road to 2030: Growth, People, Resilience](#) (Washington, DC: World Bank Group, 2023), 83.

<sup>8</sup> Comprehensive analyses and recommendations are available in the following report: Christian Donaldson et al., [Civic Space: The Missing Element in the World Bank's Country Engagement Approach](#) (Oxford: Oxfam International, 2022).

## II. World Bank Policies for Civil Society Engagement (CSE)

3. **The Bank's Operations Manual does not contain a policy and associated staff guidance for collaboration with CSOs.** This contrasts with the [Asian Development Bank](#) and the [Inter-American Development Bank](#), which have recently updated CSO collaboration policies and action plans. The African Development Bank has in place a [framework and action plan for enhanced engagement with civil society](#). It is likely that several operational policies in the Bank's Operations Manual, such as on fragile states and the ESF, mention the role of CSOs. While this is good, it would be useful to consolidate all such policy references on CSE in one place and present an overall policy for CSE as has been done by the Asian Development Bank and the Inter-American Development Bank.<sup>9</sup>

This should be accompanied by a monitoring and reporting system to track progress in partnerships/collaboration with CSOs. This is needed as the Bank's last progress report on [collaboration with CSOs](#) is more than a decade old, and the Bank's [contract awards database](#) cannot be queried for contract awards to monitor progress in contracting CSOs at country, regional, and global levels.

4. **The policy ambiguities and lack of appropriate staff guidance necessitate that the Bank clarify its policy on collaboration with CSOs as it embarks on deepening partnerships.**

**Recommendation #1:** Issue a comprehensive statement to clarify policies for collaboration with CSOs beyond consultations; reinstate staff guidance, including for explicit funding within the project life cycle for planned CSO engagement and periodic progress reporting with measurable indicators; and make contract awards to CSOs searchable in the contract awards database to facilitate ex post monitoring.

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9 ["Promotion of Engagement with Civil Society Organizations," Operations Manual](#) (Asian Development Bank, 2023); [A Sourcebook for Engaging with Civil Society Organizations in Asian Development Bank Operations](#) (Asian Development Bank, 2021); and IADB [Civil Society Engagement Strategy](#).



### III. Partnering with Civil Society in the Bank's Country Engagement

"The World Bank will continue to provide support through its country-driven model. Responding to country demand is a core strength of the World Bank and will drive our continued effectiveness."

—*Evolution report, September 28, 2023*

- 1. Introduction.** The World Bank [country engagement](#) framework guides its support for country-driven development policies and programs. Its main components include a country partnership framework, analytical work, and implementation of the Bank's financed projects and programs. The current framework will be enhanced under the [Evolution](#) through an updated suite of core analytics and a Knowledge Compact for Action that calls for integrating the best knowledge available from all sources (including in-country sources), providing training and capacity building for clients, and enhancing knowledge partnerships.

[Consultations](#) with civil society in the country, along with other development partners, are required in all country engagement work. The country engagement approach is in line with the "Localization" agenda that is gaining growing support among bilateral official donors and philanthropy.<sup>1</sup>

In this context, this chapter discusses entry points and actions for enhancing partnerships with CSOs in the Bank's current and enhanced country engagement products. Section A describes the design of the country engagement cycle, particularly with regard to CSO engagement and the proposed enhancements to the cycle. Section B describes the current implementation status, information gaps, and improvement opportunities. Section C presents conclusions and recommendations.

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<sup>1</sup> For an example adopted in 2021, see: USAID, [Local Capacity Strengthening Policy](#).

## A. WBG Enhanced Country Engagement Cycle

2. **The current country engagement cycle was adopted in 2014,<sup>2</sup> and it is accompanied by staff guidance<sup>3</sup> and shapes how the Group supports client countries.** The country engagement cycle is divided into four stages (each ending with the issuance of a report):
  - a. The Systematic Country Diagnostic (SCD) provides the analytic underpinnings toward most effectively and sustainably achieving the WBG's poverty reduction and shared prosperity goals.<sup>4</sup>
  - b. The Country Partnership Framework (CPF) describes the integrated and selective framework for the WBG's partnership with the country. It is prepared every four to six years, drawing on the SCD.<sup>5</sup>
  - c. The Performance and Learning Review (PLR) updates the CPF every two years or at its midpoint.
  - d. The Completion and Learning Review (CLR) is a self-assessment for when the CPF is completed, and it informs the subsequent CPF.
3. **The enhanced country engagement cycle calls for a Knowledge Compact for Action and an updated set of core analytics<sup>6</sup> to be undertaken with substantive local engagement.** The compact calls for integrating the best knowledge available from all sources, providing training and capacity building for clients, and enhancing knowledge partnerships. All of these goals are relevant for partnerships with local CSOs. Another proposed change is that SCDs will no longer be a prerequisite of a CPF in each country. Instead, SCDs will synthesize the core analytics comprised of the following:
  - a. Country Climate and Development Report (CCDR), focusing on adaptation and mitigation and linkages between climate change and development outcomes
  - b. Poverty and Equity Assessment (PEA), focusing on core poverty and inequality issues
  - c. Country Economic Memorandum (CEM), focusing on prosperity and key economic sectors, with a plan to be revamped into a Growth and Jobs report
  - d. Public Finance Review (PFR), an expansion of the current Public Expenditure Review to focus on a country's revenues as well as expenditures, including spending inefficiencies across the budget and harmful subsidies

2 World Bank Group et al., [World Bank Group: A New Approach to Country Engagement](#) (World Bank Group, 2014).

3 This guidance has been periodically updated. The most recent staff guidance, for example, clarifies how IFC and MIGA country-level products are to be included in the country engagement cycle. Specifically, with regard to the IFC, it identifies the Country Private Sector Diagnostic (CPSD), which contributes to the SCD and the IFC Country Strategy (an internal document), which informs the CPF objectives and identifies how IFC's investment, advisory, and upstream teams will engage in various sectors in each country. See IBRD/IFC/MIGA 2021 guidance on country engagement.

4 Since 2020, SCDs also include country specific assessments of pandemic preparedness. [Using Evaluative Evidence to Deliver Development Outcomes: A World Bank Group Management Report on the Implementation of IEG Recommendations FY17-21](#) (World Bank Group, 2021).

5 In addition, the Country Engagement Note (CEN) is used to set out a short-term country engagement when country circumstances do not allow for a government and the WBG to develop a medium-term program through a CPF.

6 For a description of the Knowledge Compact and core analytics, see: World Bank, [Ending Poverty](#), para. 14–16, 20–22.

### III. Partnering with Civil Society in the Bank's Country Engagement

- e. Country Private Sector Diagnostic (CPSD 2.0), reframed and focused on specific opportunities to increase private investment
  - f. Risk and Resilience Assessments for countries on the list of fragile and conflict-affected situations (FCS)
4. **Consultations with local CSOs in country engagement are required per the Bank's guidelines.** The WBG explicitly recognizes the importance of citizen engagement and partnership, and its [Country Engagement policy directive](#) stipulates that “to better inform the CPF, the PLR, the SCD, and, to the extent possible, the CEN, the WBG engages through consultations with the private sector, civil society and other stakeholders.” The [Consultation Guidelines](#)<sup>7</sup> provide how-to information. In addition, the [Strategic Framework to Mainstreaming Citizen Engagement in the WBG Operations](#) provides guidance to staff with regard to citizen engagement in the country engagement cycle:<sup>8</sup>
- a. Systematic Country Diagnostic (SCD): Staff are required to undertake stakeholder consultations, including with citizens, to obtain “an informative grassroots perspective on the country’s development challenges, fill information and data gaps, validate hypotheses, and improve the understanding of context.” Consultation tools identified include online platforms, surveys, town hall meetings, and focus group discussions. Stakeholder mapping is to be undertaken and differentiate between (1) stakeholders who could provide analytical input to the SCD (such as local universities, think tanks, media, and the private sector) and (2) stakeholders who need to be consulted to understand citizen perceptions of development challenges (CSOs, community organizations, etc.). It is unclear why the guidance does not include CSOs among the stakeholders providing analytical inputs.
  - b. Country Partnership Framework (CPF): Stakeholder engagement in the CPF is anchored in the engagement processes of the government’s own national development plan. Like SCD consultation tools, engagement in the CPF process can include a broad set of tools, including town hall meetings, workshops, focus groups or interviews, surveys, websites, grievance redress mechanisms, third-party monitoring, social audits, citizen report cards, and community scorecards. CPF consultations must be documented in the CPF, and the feedback loop must be closed (by informing those consulted regarding how their feedback was used).
  - c. The country assistance program (as defined in the CPF) is an important avenue for supporting outcomes enabling citizen engagement, and associated results indicators are to be included in CPF results frameworks. When the new engagement cycle was put in place in 2014, the majority of CE outcomes and indicators were focused on information disclosure. Only a handful of country programs had outcomes focused on collaboration with and/or empowerment of citizens and local communities. Hence, the

<sup>7</sup> [The World Bank Group: Consultation Guidelines](#) (Washington, DC: World Bank Group, 2019).

<sup>8</sup> [Strategic Framework for Mainstreaming Citizen Engagement in World Bank Group Operations](#) (World Bank Group, 2014).

This guidance goes beyond country engagement and covers the entire range of WBG operations.

guidance encouraged staff to seek additional entry points for CE, such as increased transparency in budget and procurement processes, improved accountability of institutions, natural resource management, public service monitoring, access to infrastructure, and social inclusion.

- d. Performance and Learning Review (PLR) and Completion and Learning Review (CLR): CE was also seen to be important in these later stages of the cycle, and feedback was to be gathered through client and citizen satisfaction surveys, collection of results data in collaboration with CSOs, and focus groups with representative stakeholders. CSOs were also listed (together with other stakeholders such as academia and independent experts) as potential partners who could conduct an independent, third-party assessment of the CPF.

## B. Implementation Progress to Date and Opportunities for Improvement

5. **Good practices for citizens and CSOs' participation in the country engagement cycle exist but need scaling up and systematization.** During the consultations for preparing this report, many CSOs emphasized that in their experience, the consultations are more often tokenistic than not and not grounded in analytical work by CSOs. In 2018, the Independent Evaluation Group (IEG) reviewed the progress made in CE in the country engagement cycle as part of an evaluation of CE in the Bank's operational cycle.<sup>9</sup> Salient relevant findings for country engagement included:
  - a. *The WBG should “establish, where appropriate, ‘thick’ citizen engagement that is regular and continuous, uses multiple tools, and is embedded in country systems.”* This is one of the five recommendations made by the evaluation and the only one related directly to country engagement. The IEG suggested, *“This could be achieved by more systematically using existing channels of dialogue and stakeholder engagement (such as Systematic Country Diagnostics, CPFs, and Development policy financing) and applying tools (such as roadmaps and indexes) to plan, monitor, and assess results achieved at the various levels (Region, country management unit, Global Practice).”*
  - b. *The WBG has made progress in citizen and CSO participation in CPFs, but participation of local CSOs needs improving.* Citizen and CSO engagement are both technically ambitious and politically challenging. Despite these challenges, the Bank promoted more active citizen participation in preparing country strategies, as almost all CPFs prepared during the FY15-17 period (43 out of 46) had consulted civil society and increasingly consulted with a more diverse group of stakeholders. However, the challenge is that the WBG only reached a lesser extent beyond the well-established CSOs that usually interacted with international organizations. In 63% of the CPFs reviewed, the WBG consulted with local NGOs (and local governments); in 43% of the CPFs, it consulted with indigenous groups, youth, and women groups.

<sup>9</sup> Independent Evaluation Group, [Engaging Citizens for Better Development Results: An Independent Evaluation](#) (Washington, DC: World Bank Group, 2018).

- c. *The WBG did not fully utilize the range of instruments and entry points available to facilitate citizens' participation, notably in the policymaking process.* The Bank has increasingly adopted a “thicker” approach to citizen engagement to strengthen domestic accountability mechanisms at the country level through country platforms and by increasing synergies with implementing its Environment and Social Framework (ESF). Nevertheless, there were only limited examples of the WBG leveraging its convening power to broker policy dialogues between the government and citizens. This led to a widespread perception of the WBG as, first and foremost, the government's partner and an institution that did not leverage its influence in helping to increase the space for civil society engagement.
  - d. *The updated core analytic products should adopt good practices for meaningful citizen and CSO participation.* In 2019, as part of a technical note to enhance citizen engagement in country engagement activities, the WBG reviewed SCDs (and associated CPFs) produced between FY14 and FY19 and identified good practices, along with innovative and inclusive approaches.<sup>10</sup> It identified that one out of three overarching approaches had been adopted: a cross-cutting approach (i.e., denoting CE as a cross-cutting area across all CPF focus areas); a pillar approach (i.e., highlighting CE as a core focus in one or more selected CPF areas); and a road-map approach (i.e., developing a citizen engagement country road map), which had been systematically applied in several countries in the ECA region<sup>11</sup> as well as select countries in Africa (e.g., Malawi).
- 6. Appropriate civic space is needed for meaningful citizen and CSO participation in the Bank's country engagement and financing activities.** All Bank clients have a legal obligation to facilitate appropriate enabling conditions for the implementation of Bank-supported activities. The Bank has policies for citizen and stakeholder engagement that are binding on the clients and that require appropriate civic space for implementation. Therefore, the Bank, as a standard operating procedure, should assess civic space for the implementation of citizen and CSO engagement in its activities and discuss and agree on appropriate measures with the client to ensure effective implementation.

In 2022, the Bank Information Center, the Accountability Research Center, and Oxfam reviewed the treatment of civic space (i.e., the enabling environment for civic engagement, including the circumstances in which citizens and CSOs can voice their concerns, needs, and priorities; seek redress; and hold decision-makers to account) in the WBG country engagement cycle.<sup>12</sup> The report reviewed 51 SCDs and 47 CPFs prepared during the FY18-21 period. It noted that half of the SCDs and a third of CPFs incorporated some analysis of civic space. The vast majority of the analysis was brief, lacked depth or detail, and did not consider the implications for CE; only four SCDs conducted an in-depth analysis. The report

<sup>10</sup> Harika Masud, Saki Kumagai, and Helene Grandvoinet, [Mainstreaming Citizen Engagement through the World Bank Group's Country Engagement Model](#) (World Bank Group, 2021).

<sup>11</sup> The IEG evaluation had noted that 14 CPFs in ECA had associated CE road maps.

<sup>12</sup> For a discussion of this matter, please see: Donaldson et al., [Civic Space: The Missing Element](#); Samuel Sharp, Stephanie Diepeveen, and Ellie Collins, [“Civic Space: Shrinking or Shifting?”](#) (ODI, 2023).



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noted significant scope for the WBG to systematically incorporate civic space analysis into the existing Country Engagement Approach using established CSO methodologies (such as the Oxfam Civic Space Monitoring Tool).

7. **Local CSOs need the Bank's technical and financial support for meaningful engagement in line with the Knowledge Compact for Action and call for localization.** The compact calls for integrating the best knowledge available from all sources in the core analytics and global challenge programs. Currently, as noted by the IEG evaluation, CSO engagement in the country engagement cycle needs to pay more attention to local CSOs, especially those representing indigenous groups, youth, and women groups.

The Bank's emphasis on country-led development is also reflected in the localization agenda being promoted by bilateral donors in the United States and Europe as well as by foundations.<sup>13</sup> The Bank and its key shareholders' country-led development and localization goals would be well served by expanding the support to local CSOs to increase their substantive participation in the country engagement and financing activities of the Bank. Expanding direct support for local CSOs would align with the Knowledge Compact's commitment to providing training and capacity building for clients and enhancing knowledge partnerships. Direct Bank funding of local CSOs would help alleviate some of the barriers that bilateral funding sometimes faces.<sup>14</sup>

8. **The IDA supports MSPs in building broad-based country ownership, but little is known about how they are working.** MSPs are considered a strategic means of involving state and nonstate actors (e.g., businesses, CSOs, marginalized groups, women, and youth) in building broad-based ownership for a country's development policies and programs. The IDA19 (2020–2022) committed “to establish and strengthen platforms for engaging with multiple stakeholders, including women as well as vulnerable groups, in policy-making and implementation to enhance public participation, accountability, and responsiveness.”<sup>15</sup> The list of 30 countries where MSPs were supported, per a policy commitment, is available on page 83 of the [IDA19 Retrospective](#). In 2023, the IDA reported on progress made during the FY20-21 period. The original target

13 Localization generally refers to country ownership and leadership in the design and implementation of development policies and programs by expanding local players' participation and control. It is a key part of Agenda 2030 and, more recently, is gaining prominence among the development community to refer to participation and funding for local CSOs. Recent initiatives include the [Local Capacity Strengthening Policy](#) of USAID that aims to shift the percentage of USAID funding to local CSOs (defined as registered locally) from 6% in 2021 to 25% in 2025 and “[OECD-DAC Recommendation for Enabling Civil Society in Development Cooperation and Humanitarian Assistance](#)” that calls for support to local CSOs to enable them to participate in decision-making on policies and programs.

14 For a discussion of these barriers, please see: International Center for Not-for-Profit Law, [Localization and Civic Space](#); Jessica Abrahams, “[Are European Donors Falling behind the US on Localization?](#)” (Devex, 2023).

15 International Development Association, [IDA19 Retrospective](#).



was adjusted downward to 40% at the IDA19 Mid-Term Review and achieved with support for MSPs in 32 IDA members.<sup>16</sup>

9. **The Bank should significantly expand the use of MSPs as a key element of its country-driven and country-based engagement model proposed under the Evolution playbook.** MSPs are considered a strategic means of involving state and nonstate actors (e.g., businesses and CSOs) in building broad-based ownership for a country's development policies and programs.<sup>17</sup>

The 32 MSPs established under the IDA19 could provide a strong foundation for expansion. However, IDA20 contains no commitment related to MSPs, and little is known about the actual implementation and workings of MSPs. Beyond its own experience with MSPs, the Bank could and should use the country-owned cocreation platforms established in 75 countries (the majority of them are Bank clients) and 104 local jurisdictions under the [OGP](#).

The OGP's core principles include government and civil society working together to deliver better outcomes through reforms cocreated through multistakeholder collaboration. Its MSPs are particularly empowering for groups that typically face social and political exclusion. It has been operating for more than 10 years, and its extensive experience demonstrates that CSOs have a significant role to play in development. The OGP also has ample experience promoting country-owned policies and programs for citizen-centric government. It has recently adopted a strategy for 2023–2028 that could be a sound basis for the Bank to partner with the OGP to support and use its country-owned platforms.

10. **Several information gaps exist about citizen/CSO participation in the Bank's country activities.** As discussed, the various assessments and studies confirm that there has been progress with civil society (citizens and CSOs) engagement (CSE) in the country engagement cycle and the institutionalization of the dialogue through establishing MSPs in several countries. While this represents significant progress, there are significant information gaps about the quality of the CSE, as discussed below:

- a. *Which CSOs participated in country engagement activities (including MSPs), and how were they selected?* It is unclear which CSOs participate and how they are selected. Similarly, the extent to which existing platforms for CE (such as the OGP country-level steering committees) are utilized is also unclear. Finally, it is well accepted that local CSOs bring unique perspectives given their direct interface with communities (often using local languages) and indigenous knowledge; however, the extent of their participation is also unclear.

<sup>16</sup> This lower target may have resulted in part due to the shorter implementation period for IDA19 (two years instead of the usual three years) as a consequence of ramping up financial commitments in response to the global pandemic. The target was achieved with support provided to 30 countries, including Afghanistan, Benin, Burkina Faso, Cambodia, Central African Republic, Chad, Democratic Republic of Congo, Côte d'Ivoire, Ethiopia, Ghana, Guinea, Kenya, Kyrgyz Republic, Liberia, Madagascar, Malawi, Mauritania, Mozambique, Myanmar, Nepal, Nigeria, Papua New Guinea, Rwanda, Senegal, Sierra Leone, Solomon Islands, St. Lucia, Tajikistan, Tanzania, and Zambia.

<sup>17</sup> International Development Association, [IDA19 Retrospective](#).



- b. *What country engagement activities and other MSP activities were CSOs involved with, and what impact did their involvement have?* The quality and nature of the dialogue matter. Understanding whether CSO participation went beyond a tokenistic, check-the-box approach is important. However, information is scarce regarding how meaningful CSO participation was in terms of the changes it initiated and its impact. Meaningful CSO participation in MSPs would also require that their diverse viewpoints be supported by evidence-based analysis. It would be important to understand the engagement of and with CSOs in analytical work, particularly since the 2014 WBG guidance downplayed their potential role in this area.
- c. *How were CSE activities in country engagement funded?* Given the need to avoid even the perception of WBG influence on CSE viewpoints, it is understandable that—unlike in Bank project-related activities—the WBG does not fund CSE in the country engagement cycle. However, this places a considerable onus on CSOs to fund their own participation. This is particularly challenging for local CSOs. Hence, it will be important to understand how participation is currently funded and the extent to which the lack of independent funding limits CSO participation. It would be equally important to understand how this may hamper the generation of evidence-based analysis that could strengthen the case for specific ideas and initiatives proposed by CSOs.
- d. *How are the 32 MSPs established under IDA19 working?* What good practices and lessons can be drawn? How can MSPs make a more effective contribution to country-led development efforts?

## C. Conclusions and Recommendations

11. **The Bank's enhanced country engagement model under development should include provisions for deeper partnerships with local CSOs to tap their knowledge and develop their capacity under the Knowledge Compact.** The current World Bank [country engagement](#) framework seeks CSO involvement in developing country partnership frameworks as well as the core analytics to enhance effectiveness, inclusivity, sustainability, and country ownership of a country's development efforts supported by the Bank. Accordingly, the Bank mandates [consultations](#) with civil society and other stakeholders in all country engagement work.

The Bank's country engagement consultation approach is aligned with the "localization" agenda that is gaining growing support among bilateral official donors and philanthropy. The current country engagement model will be enhanced under the [Evolution](#) through an updated suite of core analytics. The Knowledge Compact for Action proposed under the Evolution calls for integrating the best knowledge available from all sources, including in-country sources, providing training and capacity building for clients, and enhancing knowledge partnerships.

12. **There are several ways to improve the extent and depth of civil society participation in country engagement work to enhance effectiveness.** During the preparation of this report, many CSOs from the global south emphasized that, in their experience, consultations are

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often tokenistic and not grounded in analytical work by CSOs. An [IEG review](#) of the extent and quality of citizen/CSO participation in the Bank's country engagement activities shows that good practices exist, but the extent and depth of their involvement varies, undermining the Bank's objectives of inclusivity and integration of local knowledge. The Bank needs to make more robust efforts to integrate the knowledge available from local CSOs and provide training and capacity-building support in line with the Knowledge Compact and locally led development (localization) objectives.

Another area for improving country-led development is to make better use of country-owned MSPs that have been established through IDA19 in 32 countries. It could also forge a partnership with the [OGP](#), covering 75 countries and 104 local governments, which has supported [MSPs](#) for over a decade and attained well-documented positive results. The Bank should expand the use of MSPs as they are particularly important for empowering groups that typically face social and political exclusion and for promoting locally owned and led development efforts.

**Recommendation #2:** Expand opportunities for local CSO participation in the enhanced country engagement model and knowledge work by (a) updating the business processes for meaningful CSO knowledge inputs, especially in core analytics and global challenge programs; and (b) expanding and strengthening the use of multistakeholder platforms such as those established under IDA19 and by the Open Government Partnership.

- 13. Direct funding for local CSOs is needed to support their participation in the Bank's country engagement activities.** Expanding direct support for local CSOs would align with the Knowledge Compact's commitment to providing training and capacity building for clients and enhancing knowledge partnerships. However, at present, the Bank has no systematic financing source to support analytical work by local CSOs, which is needed to improve the quality of their contributions in the [country engagement](#) activities and MSPs.

Project financing by the Bank cannot fund such activities. Small amounts of financing for CSOs are accessible from trust funds hosted by the Bank, including the [GPSA](#), which is set to expire in 2026. These amounts are negligible relative to needs, not regarded as fit for purpose, and involve high transaction costs that discourage their use.

Some argue that funding for CSOs is available from bilateral sources (OECD governments and foundations) and the World Bank is not fit for funding CSOs. The reality is very different. As discussed in the next chapter, we found that less than 1% of official development assistance (ODA) by bilateral donors flows to local CSOs and found no evidence that funding CSO engagement in World Bank-supported operations is a priority in this meager funding. The analysis also shows that direct funding by bilateral donors faces increasing



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barriers.<sup>18</sup> Without financing, the local CSOs' participation becomes tokenistic and lacks depth, and inclusivity and country ownership of development policies and programs is undermined.

**Recommendation #3:** Institute a program to provide direct grants to local CSOs for analytical work to enable meaningful participation in core analytics and country-owned multistakeholder platforms. Such funding would enhance country ownership, inclusivity, and the integration of local knowledge.

- 14. Ensuring appropriate civic space for implementing the Bank's citizen, stakeholder, and CSO engagement policies.** All Bank clients are legally obligated to ensure appropriate enabling conditions for implementing Bank-supported activities. Therefore, the Bank, as a standard operating procedure, should assess civic space for the implementation of the citizen and CSO engagement, access to information, and redress for grievances and reprisals in the operations supported by it. It should also agree on appropriate measures with the client to ensure effective implementation of these activities and emphasize the benefits of adequate civic space for development effectiveness in its policy dialogue. Currently, the Bank does not provide guidance to staff to assess civic space and does not include civic space in its [Country Policy and Institutional Assessment Guidelines](#).

**Recommendation #4:** Direct staff to conduct civic space assessments during country engagement and project design processes to ensure space for planned citizen, CSO, and other stakeholder engagement. Include appropriate country performance indicators on civic space in the proposed redesign of the corporate scorecard and accompanying M&E systems, and in the [Country Policy and Institutional Assessment Guidelines](#).

<sup>18</sup> For a discussion of these barriers, please see: International Center for Not-for-Profit Law, [Localization and Civic Space](#); Abraham, ["Are European Donors Falling Behind?"](#)





## IV. Partnering with Civil Society to Boost Delivery and Results in IDA/IBRD Financing

The Development Committee “supported efforts to enhance operational effectiveness and efficiency to increase the speed, scale, and quality of implementation to better serve all clients, proactively managing risks through the World Bank’s robust environmental, social, and fiduciary standards and accountability mechanisms.”

—*Statement by Chair of the World Bank Group Development Committee, October 12, 2023*

- 1. Introduction.** In this chapter, we examine the progress and challenges in civil society (citizen and CSO) engagement (CSE) for enhancing the delivery of outputs and results investment, including Program for Results (PforR) and investment project financing (IPF) by the IDA/IBRD,<sup>1</sup> and present recommendations to expand such engagement. Annex 2 presents a detailed stocktaking of citizen, stakeholder, and CSO engagement in investment projects financed by the Bank.

Section A discusses the challenges IDA/IBRD clients face in implementing a rapidly growing volume of projects and programs and delivering verified results in output-based and budget-support financing. Section B discusses three ways expanded partnerships with CSOs can supplement government efforts and boost delivery and results. Section C discusses challenges in expanding partnerships with CSOs in lending operations and presents recommendations for addressing them.

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<sup>1</sup> The IDA and IBRD provide three types of financing: [Investment Project Financing](#) (IPF), [Program for Results Financing](#) (PforR), and [Development Policy Financing](#) (DPO). DPO provides support for the government’s budget without designating specific purposes.

## A. Challenges of Delivering Results in the Rapidly Expanding IDA/IBRD Financing

2. **Delivery challenges will be more acute during the proposed expansion of IDA/IBRD financing.** The rapid expansion in [financing](#) by more than \$150 billion under the [Evolution](#) and the calls for the largest ever IDA21 Replenishment (after the record high IDA20 Replenishment) would require heightened attention to the absorptive and delivery capacity of the governments, which is already stressed due to disruptions caused by COVID-19. Shifting to a higher proportion of financing from traditional investment projects to output-based and/or budget-support funding will also increase the need for scaled-up output/results verification.

**TABLE 1: Institutional Capacity for Implementation and Sustainability Risk Ratings of Active IDA/IBRD-Financed Projects**

<b>Risk Rating</b> (likelihood that insufficient capacity in government may adversely impact the implementation of the activities supported and/or achieve expected results)	<b>% of total IDA-funded active projects rated at “High” Institutional Capacity Risk</b>	<b>% of IBRD-funded active projects rated at “High” Institutional Capacity Risk</b>
<b>High Risk (H)</b>	11	5
<b>Substantial Risk (S)</b>	48	42
<b>Substantial or Higher Risk (S+H)</b>	59	47

Total of 2,096 active projects (1,238 IDA + 858 IBRD) involving \$273 billion (\$120B IDA + \$153B IBRD) commitments as of January 19, 2024. Source: [World Bank](#) (data updated daily).

One indicator of the magnitude of the delivery challenge is the assessment of the Bank staff on residual risk that institutional capacity may be insufficient to achieve expected results for a given financing operation. According to the [portfolio-level data](#) disclosed by the Bank, about 11% of the total active projects funded by the IDA face “high” risk and another 48% “substantial” risks that institutional capacity limitations of the implementing

agencies could adversely impact project implementation and/or results<sup>2</sup> (see table 1). While these numbers will fluctuate, they illustrate that the delivery challenges are significant, consequential, and widespread.

The delivery challenges are higher in IDA-financed projects, where nearly two out of three active projects face high or substantial risks that development outcomes may be adversely affected due to weaknesses in institutional capacity for implementation. Three inferences are drawn from the data. First, appropriately, the Bank is a risk-taker and not risk averse. Second, risks materialize in reality to varying degrees. Third, partnerships with CSOs in lending operations with high and/or substantial implementation risk ratings can help mitigate and lower the residual risks and improve development outcomes. Such partnerships may not mitigate all risk factors but can help faster and better implementation and delivery of results than what the governments can do alone.

## B. Three Ways CSOs Help Boost Delivery and Results in Projects and Programs

3. CSOs can facilitate the design and implementation of [citizen](#) and [stakeholder engagement activities](#) (box 2). These CE and SE activities provide citizens a stake in decision-making in development programs affecting them and enable them to provide feedback to improve implementation and responsiveness to their needs. In many instances, CSOs help citizens and communities by acting as social intermediaries between the citizens/communities and implementing agencies.

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2 Risk ratings are assigned for each lending operation using the Bank's [Systematic Operations Risk-Rating Tool](#) (SORT). SORT assesses Development Outcome Risk (DOR)—the risk to the client's ability to achieve expected outcomes (effectively, efficiently, and sustainably) in Bank-supported projects and programs—and the risk of harm or unintended consequences. The management does not pursue new lending operations where the inherent risks cannot be mitigated to an acceptable level. The SORT ratings reflect the residual risk (after mitigation). A high-risk rating is assigned when the probability of occurrence is greater than 75% and the impact on the development outcome would be major or severe. A substantial risk rating signifies a medium or higher probability of occurrence that could have a major adverse impact on the development outcome. Source: "[Interim Guidance Note: Systematic Operations Risk-Rating Tool \(SORT\)](#)," (World Bank Group, 2014). The staff guidance was updated on July 15, 2021, but not yet made available publicly. The update of SORT guidance is cited in appendix J of the [Results and Performance of the World Bank Group 2022 \(English\)](#). [Results and Performance of the World Bank Group 2022 \(English\)](#) (Washington, DC: World Bank Group, 2022).





**Box 2: Citizen and Stakeholder Engagement Mechanisms**

1. Meaningful consultations with stakeholders to receive inputs and respond to them during all stages of the project cycle. (Mandatory under ESS10)
2. Grievance redress mechanism (GRM) to receive and facilitate the resolution of project-affected parties' concerns and grievances related to the environmental and social performance of the project. (Mandatory under ESS10)
3. Beneficiary feedback collection on various dimensions of projects, such as effectiveness, quality, delivery time, transaction costs, targeting, resource utilization, and engagement processes. (Required by the IDA when beneficiaries can be identified)
4. Collaboration with citizens in decision-making processes and events to make the project more responsive to community needs and increase ownership by citizens. (Optional as agreed upon with the IDA recipient)
5. Citizen-led monitoring of service delivery, revenues, budget execution, procurement, contract awards, and budget execution to improve efficiency and reduce opportunities for corruption. (Optional as agreed upon with the IDA recipient)
6. Empowering citizens/communities with resources and decision-making powers on investments that meet their needs (e.g., as in CDD projects). (Optional)
7. Capacity building for CSOs, governments, communities, and national accountability institutions to engage and participate. (Optional)

\*Information Disclosure is mandatory under the Bank's *ESF ESS10* and *Access to Information Policy*. It is considered an essential but not sufficient condition for effective CE.

4. **CSOs can provide contractual services to supplement project IAs' efforts, especially in FCS situations.** Examples include promoting inclusion through community engagement and outreach; organizing participatory approaches, such as in CDD operations; public services delivery; and supporting the implementation of social and environmental development and mitigation components. In this role, CSOs are contracted by the IAs following the Bank and government procurement policies and procedures. Some CSOs are open to such contracts while others are not.

5. **CSOs can conduct TPM to improve and validate results.** A number of good practice notes and studies<sup>3</sup> by the Bank and others have documented many benefits of TPM (box 3). The Bank’s 2018 [Good Practice Note on Third-Party Monitoring](#) in the ESF defines a third party as “external to the project who is neither a direct beneficiary of the project nor part of the project’s management structure.” Annex 5 provides a summary of the conceptual and policy framework for TPM.

#### Box 3: Goals and Objectives of Third-Party Monitoring (TPM)

- Assure donors and the public that the implementing agency (IA) is meeting outputs and outcomes commitments
- Supplement IA and donor monitoring and serve as eyes and ears on the ground when IA and/or donor access is limited
- Improve performance and responsiveness through independently collecting beneficiaries’ feedback
- Verify compliance with processes and donor conditions
- Help mitigate unusual or high risks
- Assure communities and taxpayers of accountability and value for money in public spending
- Build community trust

Source: Authors' compilation

Depending on the context, TPM can be focused on achieving one or more goals (box 3). CSOs and academia are more typically involved in citizen and CSO-led monitoring using social accountability tools such as public expenditure tracking surveys, social audits, satisfaction surveys, community scorecards, participatory audits, budget or procurement monitoring, project quality monitors, or citizen report cards.

## C. Challenges and Opportunities

6. **Good progress has been made in planning citizen and stakeholder engagement in investment project financing by the IDA and IBRD.** During FY18 to FY21, 100% of projects approved by the Bank had a “citizen-centric” design (defined by the Bank as having one or more of the seven CE mechanisms shown in box 2); almost all projects had at least one beneficiary indicator in their results framework; 50 IDA countries set up enhanced GRMs

<sup>3</sup> These publications were accessed on June 29, 2022: Warren A. Van Wicklin III and Asli Gurkan, [How-to Notes: Participatory and Third Party Monitoring in World Bank–Financed Projects: What Can Nonstate Actors Do?](#) (World Bank Group, ND); [Good Practice Note: Environment & Social Framework for IPF Operations: Third-Party Monitoring](#) (World Bank Group, 2018); Richard Harrison, [Study on Best Practices in Third Party Monitoring](#) (Brussels: European Union, 2020).

and/or beneficiary feedback systems; and SEPs have been embedded in all projects approved since the 2018 launch of the [Stakeholder Engagement](#) Standard.

7. **Significant information gaps exist about the actual implementation and outcomes of citizen engagement (see annex 3 for a stocktaking of citizen engagement).** There has been no comprehensive review of the actual implementation and outcomes of CE in Bank-funded projects since the CE framework was adopted in 2014. (An [IEG evaluation of the CE framework](#) was based on data up to June 30, 2016.) Two out of three CE progress indicators at the corporate level are focused on project design, and the third is focused on compliance. There are no implementation progress indicators at the corporate level. Progress in IDA19 commitments for citizen and multistakeholder engagement is awaiting analysis. The provision of granular details regarding the Bank’s engagement with citizens and CSOs—and the extent to which commitments have been implemented—will be extremely valuable information for all IDA/IBRD development partners as they consider improving current citizen and CSO engagement in the Bank’s Evolution and current and future IDA-funded projects.
8. **The eight-year-old citizen engagement framework needs updating, and the following information gaps need to be closed:**
  - a. Extent and quality of implementation of planned CE/SE/CSO engagement in “citizen-centric” projects approved since FY16
  - b. Budgeting, procurement, and implementation practices for CE/SE/CSO engagement
  - c. The Bank’s organizational arrangements, resources, and incentives for effective CE/SE/CSO engagement
  - d. Improvements in monitoring, evaluation, and learning systems for CE/SE/CSO engagement
  - e. Implementation progress of citizen and CSO engagement commitments under IDA18-19
  - f. Improving synergy between CE and SE agendas
  - g. Extent and quality of implementation completion reporting on CE/SE/CSO engagement and related staff guidance
  - h. Documentation of good practices, lessons, and guidance notes

**Recommendation #5:** Update the citizen engagement framework, with due public consultations, as part of the new operating model. The update should elaborate on the role of CSOs in facilitating citizen engagement in financing and country engagement activities and emphasize the quality of implementation, earmarking of adequate funding for citizen and CSO engagement, and monitoring of outputs and outcomes.

9. **Boost delivery capacity by expanding partnerships with CSOs for service delivery and providing contractual services to implementing agencies (IA).** While expanding CSO engagement is not a substitute for a well-functioning IA, it can be a valuable complement to

#### IV. Partnering with Civil Society to Boost Delivery and Results in IDA/IBRD Financing

IAs for expanding the delivery of services and outputs. This complementarity has been well recognized by the Bank for decades and incorporated into the existing practice for IAs to engage CSOs to provide contractual services.

In particular, the Bank's [Procurement Regulations for IPFs Borrowers \(November 2020\)](#) recognize that CSOs may be "uniquely qualified" to assist in specific project activities for nonconsulting<sup>4</sup> or consulting services. They provide that in such cases, the short list may be made up entirely of CSOs,<sup>5</sup> and CSOs should not normally be included in the short list with private sector firms.<sup>6</sup> However, such partnerships are being constrained by the recent ambiguities in the CSO engagement framework, the lack of staff guidance as discussed in chapter II, and a lack of searchable information on awards of contracts to CSOs (for eliminating these constraints, see recommendation #1). The new [World Bank Playbook and Approach to Delivery](#) should guide staff to proactively promote partnerships between government and CSOs to rapidly scale up to deliver services and outputs.

- 10. Deployment of citizen and CSO-led TPM in Bank-supported operations has been negligible despite the significant benefits (box 3 and 4).** In 2013, the Bank published a how-to note on [Participatory and Third-Party Monitoring in World Bank–Financed Projects: What Can Nonstate Actors Do?](#) The 2014 [CE strategic framework](#) included citizen-led monitoring as one of the seven CE mechanisms (box 2). The [Program for Results](#) (PforR) lending by the Bank allows CSOs to be engaged as independent verification agents. However, the use of this option has been negligible. The 2018 IEG evaluation found that *"the World Bank rarely relies on citizen-led monitoring and oversight as a source for tracking citizen engagement in its projects, results frameworks (18 percent of projects)—a missed opportunity, as this is where citizens could contribute their unique vantage point."*<sup>7</sup>

During FY18–21, only 4% of more than 1,000 projects approved by the IDA/IBRD selected citizen-led monitoring in "citizen-centric" projects.<sup>8</sup> A search of implementing agencies' contract awards with TPM in the contract description yielded only 88 contracts during 20 years (2002–2022).<sup>9</sup> According to the [ESF Good Policy Note on TPM](#), as of 2018, US\$51.5 million was spent in seven FCS-affected countries at an average cost of around \$2 million per contract.

- 11. The negligible use of TPM could be ascribed to several external and internal constraints.** According to the survey included in the [IEG evaluation of the citizen engagement framework](#),

4 "Procurement Framework for IPF Projects: For Projects after July 1, 2016" (World Bank Group, 2023), 41, para. 6.52.

5 World Bank, "Procurement Framework," 50, para. 7.29.

6 World Bank, "Procurement Framework," 48, para. 7.18.

7 Independent Evaluation Group, *Engaging Citizens*, 19.

8 Source: Information provided by the World Bank.

9 World Bank Group Finances, "Contract Awards in Investment Project Financing" (World Bank Group, 2023) (all contracts financed by the World Bank under Investment Project Financing (IPF) operations); World Bank Group Finances, "Corporate Procurement Contract Awards" (World Bank Group, 2023) (contracts executed by the World Bank and valued more than \$250,000). Databases are published by the Bank and were accessed on April 22, 2022, and April 18, 2022, respectively. Databases were filtered for "third-party monitoring" in contract descriptions. This may understate the count. The databases do not identify whether a contract awardee is a commercial firm or a CSO.

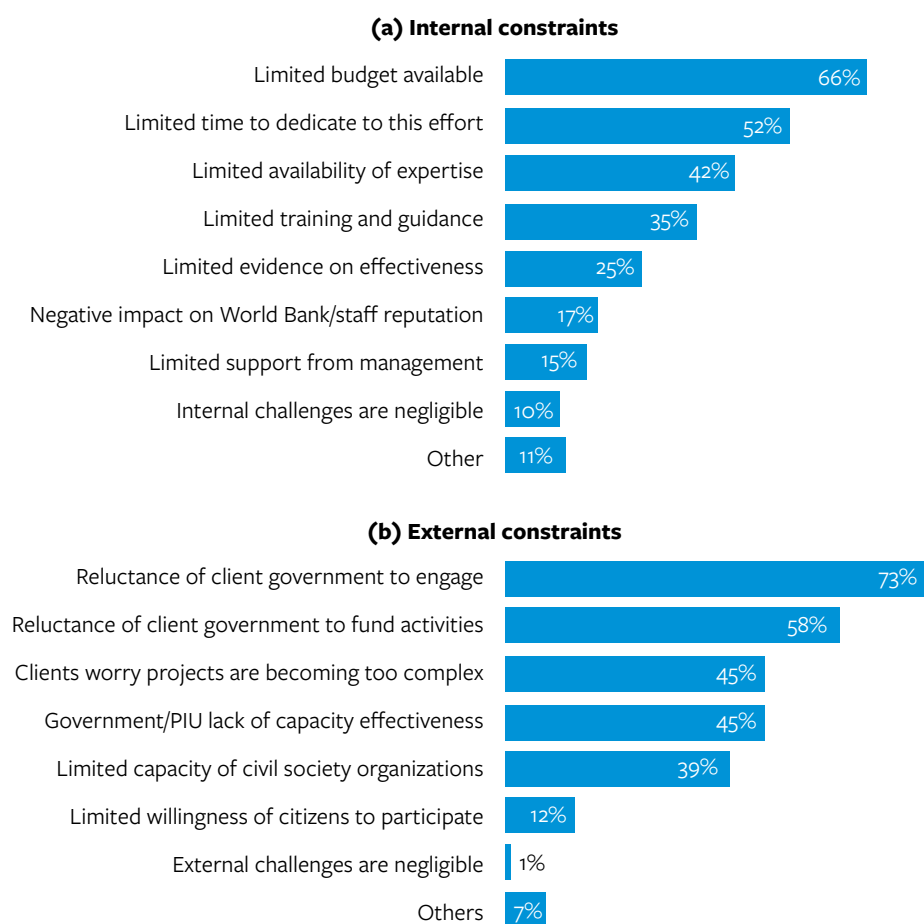
#### IV. Partnering with Civil Society to Boost Delivery and Results in IDA/IBRD Financing

the top four internal and external constraints (figure 1) to implementing the agenda are (a) internal limited budget, time, expertise, and training, and (b) external reluctance of client governments for citizen and CSO engagement and for funding it, worry about adding to project complexity, and limited CSO/government capacity.

Many IDA recipients are reluctant to spend scarce IDA allocations to fund CSOs or other third-party monitors to hold the implementing agencies accountable. Some recipients may be concerned that potentially negative findings from independent TPM could affect prospects for future funding. During consultations, Bank staff have pointed out constraints such as difficulty in identifying the full landscape of CSOs in the country, especially those CSOs with TPM expertise, and lack of skilled and credible third-party monitors, particularly among local CSOs.

These are all valid concerns and constraints. However, they are not universal. TPM is used in many situations, and there is room to make progress with appropriate interventions based on good practices.

**FIGURE 1: Main Constraints to the Implementation of the Citizen Engagement Agenda, According to the World Bank Staff**



Source: Independent Evaluation Group Staff Survey. Note: Percentages add up to more than 100 percent because respondents could identify up to three constraints.

#### IV. Partnering with Civil Society to Boost Delivery and Results in IDA/IBRD Financing

**Recommendation #6:** Assess the adequacy of staff deployment and incentives in country offices to facilitate citizen and CSO engagement and augment as needed.

**Recommendation #7:** Issue staff guidance to expand and monitor citizen and CSO-led third-party monitoring to improve process legitimacy and results in investment projects, program for results, and development policy financing.



## V. Partnering with Civil Society to Enhance Governance and Combat Corruption

The Bank should seek “greater engagement with civil society; more emphasis on transparency and accountability; improving governance and anti-corruption measures.”

—*Stakeholder feedback on Evolution proposals, Ending Poverty on a Livable Planet: A Report to Governors on World Bank Evolution, World Bank, September 27, 2023*

“Involving citizens in monitoring service delivery, revenues, budget execution, procurement, contract awards, and reform policies can increase transparency, improve the efficiency of service delivery or budget execution, and reduce opportunities for corruption.”

—*Paragraph 112, Strategic Framework for Mainstreaming Citizen Engagement in World Bank Group Operations: Engaging with Citizens for Improved Result*

- 1. Introduction.** This chapter discusses how partnerships with civil society (citizens and CSOs) can help the Bank and its client countries better address formidable governance and corruption challenges inherent to varying degrees in all countries, including IDA and IBRD borrowers. These challenges will magnify as the IDA/IBRD financing rapidly expands to historic highs and shifts to more output-based and budget-support operations. Greater attention by the IDA/IBRD to improving governance and preventing waste, fraud, and corruption would be needed to enhance value for money for both recipient and donor countries and to sustain/increase donor support.

As noted in the above quotation, the Bank’s stakeholders are very concerned about this matter and have emphasized that the Bank put more emphasis on governance and anti-corruption as well as greater engagement by civil society. However, so far, the Evolution

proposal (as of October 2023) is silent on how the Bank intends to guard against the heightened risks of leakage.

In this context, section A of this chapter discusses the scale of governance and corruption challenges faced by the IDA/IBRD. Section B discusses current Bank efforts and opportunities to do better. Section C presents conclusions and recommendations.

### A. The Scale of Governance and Corruption Challenges in IDA/IBRD Operations

- 2. The Bank recognizes the importance of governance and control of corruption for development effectiveness and assesses risks at both country and financing operation levels.** At the country level, it assesses political, governance, and fiduciary risks in country engagement programs (and in each lending operation) using a Systematic Operations Risk-rating Tool (SORT).<sup>1</sup> Governance risk assessment focuses on inadequacies in the legal system, in transparency, accountability, and participation, or fraud and corruption that could undermine the operation/achievement of Country Partnership Framework objectives. Risk ratings comprise low, medium, substantial, and high and reflect the residual risk after considering mitigation measures agreed with the government.

In addition, the Bank uses a Country Policy and Institutional Assessment (CPIA) system to rate the state of “transparency, accountability, and corruption in the public sector” in IDA recipient countries. The CPIA is one of 16 criteria used to assess the extent to which the criteria support sustainable growth and poverty reduction and, consequently, the effective use of development assistance.<sup>2</sup> For each of the criteria, countries are rated in addition to these rating systems, and the Bank also analyzes governance and corruption in individual analytical and lending activities.

- 3. The Bank and other assessments show that governance weaknesses and corruption are a widespread challenge among its borrowers and the projects it finances.** The [2022 CPIA ratings](#) for 74 IDA-eligible countries show that 69% of the 54 countries rated had a rating of 3 or less on a scale of 1 (low) to 6 (high) on “transparency, accountability, and corruption.” The SORT ratings for political, governance, and fiduciary risks show that at least one in two projects IDA-financed active projects face substantial or high risk (table 2).

<sup>1</sup> For details on the SORT system, see the Bank’s [Interim Guidance](#) Note dated June 25, 2014, and its update on July 15, 2021 (not yet published).

<sup>2</sup> For details on the CPIA system, please see [Frequently Asked Questions](#) (CPIA, ND).





**TABLE 2: Political, Governance, and Fiduciary Risk Ratings of Active IDA/IBRD-Financed Projects**

Rating of the risk that the client’s ability to achieve expected outcomes in IDA/IBRD-supported projects and programs will be adversely affected	% of Total Active Projects at			
	Political and Governance Risks		Fiduciary Risks	
	IDA	IBRD	IDA	IBRD
<b>High Risk (H)</b>	24	10	11	3
<b>Substantial Risk (S)</b>	33	25	55	41
<b>Substantial or Higher Risk (S+H)</b>	57	35	66	44

Total of 2,096 active projects (1,238 IDA + 858 IBRD) involving \$273 billion (\$120B IDA + \$153B IBRD) commitments as of January 19, 2024. Source: [World Bank](#) (data updated daily).

As noted below, the Bank and governments make significant efforts to prevent and sanction fraud and corruption in Bank-funded projects as well as public spending in general.

However, despite these efforts, the reality is that corruption afflicts public spending, including the spending supported by the Bank. This is evident from the fact that over 400 entities (firms and individuals) remained under [sanctions](#) by the World Bank due to corruption during FY21 and FY22, and the government accountability institutions in the Bank’s borrowing countries regularly uncover numerous cases of fraud and corruption.

Other indicators of the challenge’s scale are (a) the [Global Corruption Barometer](#) report that shows one out of four persons surveyed around the world paid a bribe when using public services, and (b) the [Bank’s Policy Research Working Paper #9150](#), which estimates that aid disbursements to highly aid-dependent countries coincide with sharp increases in bank deposits in offshore financial centers known for secrecy. The paper estimates the average leakages to be around 7.5%—that tends to increase with the ratio of aid to GDP.

These ongoing challenges will become more acute as the Bank significantly expands its financing. As pointed out in the recent report by the UK Independent Commission for Aid Impact, “*The Bank’s highly regarded systems may be challenged by the pressure of delivering at scale,*” and “*fiduciary risk systems may be placed under unprecedented strain by the constant pressure to commit ever-increasing volumes of financing through national public financial systems that are weak.*”<sup>3</sup>

- 4. Where corruption is rife, independent civil society vigilance and action are essential.** Government officials and political leaders usually have a strong vested interest in the status quo since it hugely benefits them personally and is central to their maintaining power. They may accept donor funds for official mechanisms for “strengthening governance,” knowing that having control over these can ensure they are toothless in addressing the leakage

3 Independent Commission for Aid Impact, [The UK’s Support to the World Bank’s International Development Association](#) (London: Crown, 2022).



they benefit from. Internal political pressure resulting from citizen action—whether as nongovernmental institutions, brave journalists, or independent academics and politicians—can make a profound difference and needs more support, especially from the World Bank, providing it is “smartly” designed, politically sensitive, and with minimal bureaucratic hurdles and oversight.

## B. Partnerships with CSOs Can Help the Bank Improve Governance and Identify and Prevent Waste, Fraud, and Corruption

5. **The IDA and IBRD make [well-regarded efforts](#) to help its recipient countries and its own fiduciary work to strengthen governance and combat corruption.** Governance reforms at the country level include disclosure and access to information, public financial management and public procurement laws, internal controls on spending and internal audits, anti-corruption policies and agencies, independent audits by supreme audit institutions, and ombudspersons. In addition, the Bank exercises its fiduciary responsibilities to prevent fraud and corruption through implementing its [anti-corruption policies and mechanisms](#) as well as through its [Integrity Vice Presidency](#) that investigates and pursues sanctions related to allegations of fraud and corruption in World Bank Group–financed projects.

At the project level, the IDA and IBRD customize governance and corruption risk mitigation measures for each project based on the underlying risk assessment using SORT. While these efforts are appropriate, experience and reality show that it is insufficient to rely on borrowers’ transparency and accountability systems and the Bank’s own procurement and financial management policies. What more can the governments and the Bank do?

6. **The Bank’s efforts to improve governance and combat corruption could be more effective by enlisting citizens and CSOs’ support.** This is the thrust of the World Bank Vice President for [Integrity](#): “We must also support the watchdogs and advocates on the ground, including civil society organizations and independent media, who often become aware of misconduct first when it occurs.” The [G20 Independent Experts Group report on Strengthening Multilateral Development Banks \(MDBs\)](#) states that “engaging local communities and civil society in advocacy, monitoring and problem-solving, through transparent and publicly available project data, can mitigate risks of waste and misuse of public funds.”<sup>4</sup> Article 13 of the United Nations Convention against Corruption recognizes the value of civil society engagement in combating corruption and says: “Each State Party shall take appropriate measures, within its means and in accordance with fundamental principles of its domestic law, to promote the active participation of individuals and groups outside the public sector, such as civil society, non-governmental organizations, and community-based organizations, in the prevention of and the fight against corruption and to raise public awareness regarding the existence, causes and gravity of and the threat posed by corruption.”

4 G20-IEG, [Strengthening MDBs](#), vol. 2: 28, 30.



The value of civil society engagement is also supported by research evidence as documented in the review of the evidence (annex 2) done as part of this report and the Bank's own research.<sup>5</sup>

7. **The World Development Report (WDR) 2004 discussion of the “short route of accountability” inspired an expansion of social accountability initiatives worldwide.** The [World Development Report 2017](#) provides a compelling case for enlisting the support of CSOs by showing that governance is the outcome of interactions between state and nonstate actors. The evidence is clear that, in appropriate contexts, citizen and CSO engagement and monitoring can yield proven benefits in improving inclusion, quality, responsiveness, and accountability in the delivery of public services and public financial management, including procurement.
8. **A growing body of practice shows that CSOs can help the implementing agencies, the Bank, and independent accountability institutions in many ways.**
  - a. CSOs can work with supreme audit institutions<sup>6</sup> to help define audit plans based on complaints documented by CSOs, organize joint participatory audits, and validate audit findings.<sup>7</sup>
  - b. Third-party monitoring (TPM) by CSOs can help conduct spot checks to ensure that funding and services reach the intended beneficiaries, track the implementation of policies, and monitor procurement integrity (benefits of TPM are shown in box 4).
  - c. Third-party monitoring can also help improve public finance by helping track how much money reaches the intended beneficiaries using social accountability methods such as participatory budgeting, social audits, community scorecards, public hearings, public expenditure tracking, open contracting, etc.
  - d. CSOs can document corruption incidents and bribery experiences in public service delivery and carry out other watchdog roles.

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5 The World Bank assessed evidence on CSO engagement in the [2012 board paper](#) for establishing the Global Partnership for Social Accountability, in 2014 as part of the [Strategic Framework for Mainstreaming Citizen Engagement](#), and as part of the [evaluation of the CE mainstreaming strategy](#). The PTF, in 2019, reviewed evidence in over 30 studies and meta-studies and summarized it in annex 1 of the 2019 PTF report [Expanding Civil Society Contributions to the Governance Agendas of the Sustainable Development Goals and International Financial Institutions](#).

6 United Nations Department of Economic and Social Affairs, [Citizen Engagement Practices by Supreme Audit Institutions](#) (New York: United Nations, 2013).

7 Ed Olowo-Okere, “[Collaboration between Supreme Audit Institutions and Citizens Is Critical in Ensuring Accountability and Transparency of Government’s Response to COVID-19](#)” (*World Bank Blogs*, 2020).

### Box 4: Benefits of Third-Party Monitoring in IDA/IBRD-Financed Projects

TPM by CSOs can help improve the efficiency and equity of Bank-financed projects, hence enhancing their benefits (B) to people and their communities. This is illustrated by the following equation.

$$\text{Benefits} = (\text{Resources} - \text{Losses}) \times \text{Equity} \times \text{Institution} \times \text{Governance}$$

TPM can improve benefits (B) by:

- identifying **direct losses (L)** due to corruption and misuse of resources (e.g., by budget tracking, procurement monitoring),
- **enhancing equity (E)** by ensuring that the poor and most deserving receive the project's intended benefits (through social audits, user surveys, etc., to minimize inclusion and exclusion errors),
- **reducing wastage and inefficiency by the project's institutions (I)** (through participatory research, community report cards, etc.), and,
- **strengthening the instruments of governance (G) and accountability within the project** (for example, through documenting and reporting citizens' concerns to the relevant authorities, helping with project grievance redressal processes, compliance with disclosure, etc.).

9. **The Bank recognizes the value added by partnerships with CSOs to improve governance and combat corruption.** The 2012 update of the Bank's governance and anti-corruption strategy<sup>8</sup> committed to focusing on the demand side of governance approaches involving citizens and CSOs to hold the state accountable and make it responsive to their needs.<sup>9</sup> Also, in 2012, the [GPSA](#) was established to provide direct funding to civil society organizations to hold service providers accountable. Both of these received unanimous approval from the Bank's shareholders.

This was followed in 2014 by the development and operationalization of the [Strategic Framework for Mainstreaming Citizen Engagement in World Bank Group Operations](#) and adopting governance and institutions as a special theme under the [IDA18 Replenishment](#) (2017–2020). Governance was retained as a focus under IDA19 (2020–2023), and IDA20 (2023–2025) commitments were made to ensure that citizen engagement in IDA operations is broadened and deepened with concrete steps.

8 [Strengthening Governance: Tackling Corruption, The World Bank Group's Updated Strategy and Implementation Plan](#) (World Bank Group, 2012).

9 The GAC Strategy Update described “demand-side” approaches as shorthand “for the extent and capability of citizens (including civil society groups) to hold the state accountable and make it responsive to their needs. Strengthening this aspect of governance is a core element of the Updated Strategy and Implementation Plan, and will contribute to improving governance, transparency, accountability, and participation in client countries.” World Bank, [Strengthening Governance](#), para. 75.

10. **Partnerships with CSOs for improving governance and combating corruption in IDA- and IBRD-financed operations are underutilized and severely underfunded.** The Bank appears ambivalent in promoting partnerships among civil society, the Bank, and governments to identify and prevent waste, fraud, and corruption at the country level. While IDA18 and IDA19 made specific comments for deepening citizen engagement and social accountability, the actual implementation has not been analyzed in detail except for bean counting purposes.

IDA20 does not take citizen engagement to a higher level than previous IDAs. Instead, commitment to citizen engagement is narrowly focused on gender-sensitive budgeting. Organizationally, the social accountability and citizen engagement work has been relocated from the Governance Global Practice to be part of the Social Sustainability and Inclusion work. Currently, the Bank lacks an appropriate mechanism to support citizen oversight and social accountability activities by CSOs, even though its anti-corruption strategy recognizes the vital role that CSOs play.

It is no surprise that current CSO engagement in anti-corruption work in Bank-supported programs is negligible. It is time to change this as the Bank triples its lending, faces growing risks of leakages due to waste, fraud, and corruption, and improves its operating model.

## C. Conclusions and Recommendations

11. **The scale of governance and corruption challenges in IDA/IBRD operations will grow as the volume of its financing grows and shifts to budget-support loans.** Leakages due to waste, fraud, and corruption are inconvenient truths in public expenditures in all countries, including IDA and IBRD borrowers. The Bank recognizes this reality and assesses fiduciary and governance (including fraud and corruption) risks at country and lending operation levels and allocates resources with due regard to such risks. According to its [assessments](#), two out of three IDA borrowers have serious weaknesses in policies and institutions in transparency, accountability, and corruption controls, and about 14% and 30% of the \$124 billion in total commitments for all active IDA-financed projects, as of the end of December 28, 2023, were at “high” fiduciary and political/governance risks respectively.

These risks will magnify as the Bank expands its financing, especially the budget support. This point has been articulated in the recent report by the UK Independent Commission for Aid Impact, which noted, “*The Bank’s highly regarded systems may be challenged by the pressure of delivering at scale*” and that “*fiduciary risk systems may be placed under unprecedented strain by the constant pressure to commit ever-increasing volumes of financing through national public financial systems that are weak.*”<sup>10</sup>

12. **Relying on governments and the Bank’s accountability systems alone to prevent leakages due to waste, fraud, and corruption is neither sufficient nor effective, and it is time to change this.** There is plenty of evidence that partnerships with citizens and CSOs can yield benefits in improving inclusion, quality, responsiveness, and accountability in the delivery of public services and public financial management, including procurement. The Bank’s anti-

<sup>10</sup> Independent Commission for Aid Impact, [The UK’s Support](#), 32.



corruption strategy calls for CSOs to play a vital role in identifying and preventing waste, fraud, and corruption, and its [Vice President for Integrity](#) has [said](#): “We must also support the watchdogs and advocates on the ground, including civil society organizations and independent media, who often become aware of misconduct first when it occurs.” The stakeholder feedback on the Evolution has stressed “more emphasis on transparency and accountability; improving governance and anti-corruption measures.” The Bank’s stakeholders are also calling for such partnerships. The [G20 Independent Experts Group report on Strengthening Multilateral Development Banks \(MDBs\)](#) states that “engaging local communities and civil society in advocacy, monitoring and problem-solving, through transparent and publicly available project data, can mitigate risks of waste and misuse of public funds.”<sup>11</sup>

13. **Deepening partnerships with CSOs for improving governance and combating corruption in IDA- and IBRD-financed operations would require priority attention and fit-for-purpose financing.** We found no evidence that promoting partnerships among civil society, the Bank, and governments to identify and prevent waste, fraud, and corruption at the country level is a priority or significant component in the Bank’s governance, anti-corruption, and fiduciary work. Currently, the Bank lacks an appropriate mechanism to finance citizen oversight and social accountability activities by CSOs (the gaps in financing this work are analyzed in greater detail in the next chapter), even though its anti-corruption strategy recognizes the vital role that CSOs play. It is no surprise that current CSO engagement in anti-corruption work in Bank-supported programs is negligible.
14. **It is time to expand partnerships with CSOs to identify and prevent waste, fraud, and corruption as the Bank triples its lending and faces growing risks of leakages.** Expanding such partnerships will not end the problem but would undoubtedly be a powerful complement to other, more orthodox measures—especially regarding projects that are strongly focused on poor and marginalized people or that are strongly decentralized. To avoid conflicts of interest, this citizen and CSO oversight work should be done independently of project implementing authorities—indeed, independent of both direct government and Bank oversight. This requires Bank support to be channeled and supervised indirectly through appropriate and politically sensitive nongovernmental intermediaries (international, regional, or at the country level), who are better placed to identify and then provide funds, advice, know-how, and networking opportunities to the most effective CSOs. Chapter VI discusses design parameters for such an arms-length mechanism.

**Recommendation #8:** Establish the baseline and increase the attention devoted to using social accountability and demand side of governance approaches in core analytics (including global challenge programs), enhanced county engagement, and financing at the country level.

<sup>11</sup> G20-IEG, [Strengthening MDBs](#), vol. 2: 28, 30.

**Recommendation #9:** Expand, deepen, finance, monitor, and report partnerships with citizens and CSOs to detect and prevent waste, fraud, and corruption and fund such partnerships at a scale proportionate to the challenges involved. In particular, promote partnerships among local civil society and independent in-country accountability institutions.

15. **The financial, economic, and social benefits of expanding partnerships with CSOs to prevent leakages and enhance value for money are compelling reasons for the Bank and other development partners to invest in such partnerships.** The principle that governments and the Bank should pay for systems to control leakages is well established. That is why the state accountability institutions exist and the Bank finances fiduciary work and the Integrity Vice Presidency from its budget. Following this principle, funding for partnerships among CSOs, government accountability institutions, and the Bank should be included as an essential component of fiduciary, monitoring and evaluation, and accountability systems of government and the Bank.

Additional reasons for establishing and funding such partnerships include incentivizing private donors to contribute to such a facility, enhancing public trust in both recipient and donor countries, and potentially improving IDA recipient countries' scores in the [IDA's resource allocation system](#) by improving portfolio performance and public financial management and control of corruption. If CSO-led accountability initiatives prevent as little as 1% of leakage of funds, the allocations would pay for themselves.



## VI. Financing for Partnerships with Civil Society

- 1. Introduction.** This chapter analyzes the availability of financing for civil society (citizen and CSO) engagement in the Bank's [country engagement, financing](#), accountability, and capacity-building activities. Local CSOs engage in Bank-supported activities in the following four pivotal areas:
  - a. participating in Bank-led country engagement activities and multistakeholder platforms to enhance country ownership of development policies and programs;
  - b. facilitating the design and implementation of citizen and stakeholder engagement in Bank-financed projects;
  - c. providing operational services to complement project implementing agencies, especially in challenging contexts; and,
  - d. performing independent third-party monitoring and oversight, bolstering transparency and accountability.

- 2. Sources of financing for citizen and CSO engagement (CSE) in IDA- and IBRD-supported operations.** Bank investment project financing and/or government funds can cover the costs of citizen and CSO engagement that are included in a project description. Project financing is not available or suited for funding CSOs to carry out the analytical work needed for substantive participation in country engagement and multistakeholder platforms. The CSOs, therefore, depend on their own funding or donors other than the Bank.

The accountability work benefits the government accountability institutions (such as supreme audit agencies and anti-corruption agencies) and the Bank's work as fiduciary, but the Bank has no systematic approach to financing such work. Some [trust funds \(TF\) and financial intermediary funds \(FIF\)](#) hosted by the Bank can fund country engagement and oversight work by the CSOs. Sometimes, IDA/IBRD contributing countries individually and directly provide financing for CSOs. We analyze the availability and adequacy of each of these sources of financing below.

- 3. Financing for CSE in country engagement and multistakeholder platforms.** The Bank has been a pioneer in seeking the views of citizens and CSOs in its various country engagement activities. Appropriately, it considers such consultations as essential for empowering the



## VI. Financing for Partnerships with Civil Society

voices of a country's citizens in formulating and implementing a country's development policies and programs. These consultations are done to enhance the responsiveness to citizens' needs, as well as the Bank's supporting programs, thereby increasing public ownership and trust. However, the Bank has no systematic financing source to support citizen and CSO engagement in the Bank's country engagement activities and in the MSPs.

While such consultation now routinely takes place, their quality needs much improvement. One of the ways to improve quality is to help local CSOs with resources to carry out analytical work necessary for meaningful participation in consultations and the MSPs established in the 30 IDA recipient countries and in the member countries of the Open Government Partnerships. While international CSOs can mobilize the funding for analytical work to inform their participation, there are no systematic funding sources for local CSOs that would allow them to do the required analysis. The OGP Multi-Donor Trust Fund at the Bank can sometimes be used to support MSP work, but it lacks adequate funding and is due to expire in 2023.

Without the analytics, the local CSOs' participation becomes tokenistic and lacks depth, undermining the effectiveness of their participation. It is important to close this funding gap to enhance the overall effectiveness of the Bank's country assistance program.

4. **Project financing for CSE.** As noted in chapter III, almost all investment projects financed by the Bank plan one or more citizen engagement activities. Some also include plans for contracting CSOs to deliver operational services as determined by the implementing agency (IA). In principle, the budget for the planned citizen and CSO engagement should be explicitly included in the project cost estimates and financing plan, and the procurement plan should include an appropriate procurement package and method. However, in practice, explicit funding and procurement plans for citizen and CSO engagement are rarely evident in project financing documents available at the approval stage.<sup>1</sup> The implementation and completion report by the Bank rarely provides details of actual citizen/CSO engagement and funding. Fixing these issues will require staff guidance, reporting requirements, and monitoring and evaluation metrics to be improved.
5. **Financing for citizen and CSO-led accountability and oversight work to improve governance and identify and prevent leakages of funds.** The Bank and its financiers generally recognize their strong vested interest in fostering new approaches and partnerships to ensure that everything possible is done to prevent leakages due to waste, fraud, and corruption. There is rich literature (annex 2) demonstrating the efficacy of civil society actions to turn the spotlight on corruption, identify losses, and heighten accountability. Indeed, civil society has helped expose many cases of fraud, corruption, and other malpractice in Bank operations in recent years.

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<sup>1</sup> Rachel Nadelman, Ha Le, and Anjali Sah, [How Does the World Bank Build Citizen Engagement Commitments into Project Design? Results from Pilot Assessments in Mozambique, Myanmar, Nigeria, and Pakistan](#) (IDS Working Paper, vol. 2019, no. 525, Institute of Development Studies, 2019).

## VI. Financing for Partnerships with Civil Society

Conversations with CSOs and Bank staff indicate that while the country and Bank policy and practice constraints play a role, the binding constraint was funding. Even when there is broad consensus on the benefits of using partnerships with CSOs for third-party monitoring and other oversight activities, there is great difficulty in finding funding. First, Bank budget resources can be drawn on only exceptionally for such purposes. Second, few facilities/trust funds can be tapped for this purpose, and the demand exceeds available resources (e.g., demand for funding social accountability projects exceeds GPSA's funding capacity). Third, parallel funding from other donors was feasible, but the absence of a dedicated funding facility for governance and accountability work by CSOs required a transaction cost-heavy retail (i.e., project-by-project) approach to fundraising.

Moreover, the source of funding is also important as the independence of TPM needs to be ensured to maintain credibility. While using project funds for TPM is possible, the independence and credibility of findings and reporting are at risk when the IAs contract, pay, and manage third-party monitors. The benefits of this work would be optimized when there is independence from both the IA and the IDA.

- 6. Trust fund financing for CSE.** Some [trust funds and financial intermediary funds](#) hosted by the Bank can fund CSOs, but the funding amounts are negligible relative to needs. We found eight trust funds (box 5) with primary focus sectors or themes such as education, health, climate change, open government, governance, etc. They fund governments and also provide small amounts of funding for CSOs in their primary focus area. However, their objectives do not include funding the CSOs' participation in country engagement work, multistakeholder platforms, and anti-corruption activities.

### **Box 5: CSO Funding Facility/Mechanism in Trust Funds Hosted by the World Bank and Other Donors**

Global Partnership for Social Accountability (GPSA)  
Open Government Partnership (OGP) MDTF  
Global Environment Fund (GEF), Small Grants Programme (SGP)  
Global Partnership for Education Fund (GPEF), Education Out Loud  
Climate Investment Fund (CIF), Dedicated Grant Mechanism for Indigenous People and Local Communities (DMG)  
State and Peacebuilding Trust Fund (SPF)  
Japan Social Development Fund (JSDF)

Source: Author compilation

Only one trust fund, the [GPSA](#), is dedicated to funding CSOs. It has granted about \$5 million per year in the past 10 years and is set to expire in 2026. We understand that work is underway at the Bank for possible restructuring of GPSA, and we believe that GPSA could

evolve to close the referenced funding gaps and support effective CSO engagement in new directions (e.g., green accountability, inclusion, and climate justice).

- CSOs’ direct financing from bilaterals and foundations occurs, but evidence of prioritization in funding CSO engagement in IDA/IBRD operations is lacking.** [OECD-DAC analysis](#) shows that the bulk of direct official development assistance (ODA) to CSOs is earmarked for bilateral programs. It is mainly disbursed to international CSOs; only a fraction trickles down to the local CSO. The OECD-DAC Commitment Reporting System contains self-reported data from all major donors on funding provided to CSOs, including country-based NGOs.

As shown in table 3 below, during the 2017–2021 period, NGOs and CSOs implemented 10% of all ODA; within that, country-based NGOs and civil society implemented around 13% (or 1.4% of all ODA). Funding to country-based NGOs and CSOs was primarily for project interventions; only 10% of the support they received (0.1% of all ODA) was for nonproject interventions. Moreover, a detailed review of these nonproject interventions revealed that they included project-specific deliverables, suggesting that the non earmarked funds available for core expenses and capacity building were extremely limited.

**TABLE 3: ODA and the Role of Developing Country-Based NGOs and Civil Society 2017–2021 Commitments (USD million, current prices)**

	2017	2018	2019	2020	2021	Total	
	USD m	USD m	USD m	USD m	USD m	USD m	%
All ODA	196,325	205,243	204,089	247,252	246,447	1,099,355	
ODA: All NGOs and CSOs as channel	20,304	20,703	21,993	23,968	24,361	111,329	10
ODA implemented by developing country-based NGOs and civil society	3,346	2,877	2,786	3,353	2,598	14,960	1
ODA: Nonproject interventions implemented by developing country-based NGOs and civil society	195	405	333	272	282	1,485	0.1

- Conclusions and recommendations.** Local CSO involvement in Bank-supported [financing](#) and [country engagement](#) operations needs to be adequately funded to ensure country-owned and inclusive development and to enhance quality and accountability in Bank-supported public spending by identifying and preventing waste, fraud, and corruption. However, available information indicates that effective citizen and CSO participation is being undermined by funding gaps and a lack of fit-for-purpose funding mechanisms.

Major funding gaps exist for meaningful local CSO involvement in country engagement, MSPs, and accountability and oversight of public spending. Small amounts of financing for CSOs are accessible from trust funds hosted by the Bank, including the [GPSA](#), which is set to expire in 2026. These amounts are negligible relative to needs, not regarded as fit for purpose, and involve high transaction costs that discourage their use.

The reality is very different for CSOs, particularly local CSOs, as the information in table 3 demonstrates. Moreover, dedicating scarce local CSO funding for monitoring World Bank-supported operations is not a priority for bilateral donors. The net result is that the social accountability work, in general, and TPM in particular, are inadequately resourced, and partnerships with civil society for heightening integrity in the Bank's operations are underutilized.

The citizen and CSO engagement built into investment project design should be budgeted in the project cost and financing. However, whether and to what extent it happens is unknown. Fixing these issues requires staff guidance and monitoring and evaluation metrics to be improved. Expanding such partnerships will not end the problem, but it would undoubtedly be a powerful complement to other, more orthodox measures. Forming such partnerships would be well regarded by donors and, hence, will help the Bank's resource mobilization efforts. They will also help the Bank perform its fiduciary responsibilities more effectively.

**Recommendation #10:** IDA partners consider establishing a Bank-housed facility to close funding gaps for the participation of local CSOs in IDA country engagement and accountability activities. Such a funding facility could initially:

- a. provide grants to local CSOs for analytical work to enable their meaningful participation in the IDA's country engagement activities, including the updated core analytics;
- b. finance CSO-led independent TPM and other oversight activities to enhance process legitimacy, verify and improve results, and prevent and expose waste, fraud, and corruption in government spending; and
- c. support programs to build the technical capacity of local CSOs to participate in country engagement and TPM activities.

9. **Key parameters for the proposed funding facility.** The facility should be geared toward closing funding gaps, be adequately funded, and be fit for purpose to finance local CSO engagement in IDA countries. It could be set up by adapting an existing (such as GPSA) or a new free-standing financial intermediary multi-donor trust fund. It is important that its scope, scale, and funding modalities focus on the funding gaps and three objectives listed above.

A suggested framework for establishing the proposed funding facility, discussed in the next chapter, could be used to frame a full feasibility study, which could be commissioned by IDA partners. The framework is based on a preliminary review of seven CSO funding mechanisms already used by the World Bank. Precedents for funding analytical work by CSOs in country engagement activities exist under the [Open Government Partnership-MDTF](#). Local knowledge and presence are essential for funding local CSOs. A good model would designate a country or region-based CSO as a country/regional fund manager to

manage a small grants program for multiple local NGOs. A small global secretariat could select the country or regional fund managers and oversee the facility.

Several precedents for such a model exist among the trust funds hosted by the Bank. To ensure close linkages with the IDA, the Bank should host the facility. Close operational linkages with the IDA would be needed to maximize the benefits. The IDA's multilateral approach and governance structure should assure IDA recipient governments that the CSO engagement would be apolitical and the governments would have a say in the operation of the facility. The MSPs could have specific roles in setting priorities for analytical work for country engagement activities, and the IDA and the government could identify the IDA-funded operations that could benefit from CSO-led TPM, then referring the project to the facility's management for selecting, funding, and managing the CSOs. These arrangements would help ensure that activities are carried out independently, yet their findings would receive consideration by the relevant authorities.

- 10. Potential funding sources for the proposed facility.** The facility would help the Bank do its fiduciary job; therefore, it is logical for the Bank to contribute to it. Similarly, partnerships with CSOs would enable IDA recipients to boost their absorptive capacity, implement IDA-financed projects faster and better, and potentially sustain and increase their [IDA allocations](#) due to improved control of waste, fraud, and corruption. For all these reasons, the IDA should contribute to the facility. In addition, the facility should be capable of accepting bilateral official and private funding to supplement Bank and IDA funding.

In our view, with due advocacy, the proposed facility could attract support from IDA donors/recipients and foundations interested in ensuring the highest possible value for money for their contributions, supporting locally owned development and developing local CSOs. The likelihood of their support would be higher if they see meaningful contributions by the Bank and the IDA. They may also be favorably motivated by the potential of the facility to advance the localization agenda and counter the shrinking civic space.

- 11. The scale of the proposed facility.** The scale of the funding would need to be proportionate to the needs in the portfolio of more than 1,200 active [IDA-supported projects](#) involving commitments of \$120 billion in 58 IDA-recipient countries.<sup>2</sup> The facility could prioritize funding for local CSO participation in country engagement activities in countries where MSPs exist and where CPFs/SCDs/CCDRs are scheduled. It could also prioritize funding for TPM and other oversight activities by CSOs in two out of three IDA-funded active projects that have been assessed as facing “high or substantial” implementation capacity limitations (table 1), along with one in four active projects that the [IDA](#) assesses as having “high” governance and/or fiduciary risks (table 2) that could undermine the achievement of their development outcomes.

A feasibility study for the facility would be needed to determine the scale of funding and other features, but using a methodology described in the next chapter (box 7), we estimate a low-end funding requirement for three years to be about \$206 million and a high-end

<sup>2</sup> The [database](#) is updated every day providing a snapshot. These numbers were accessed on January 19, 2024.

funding requirement of \$537 million. These amounts are only a tiny fraction of the \$78–90 billion in IDA commitments at high and/or substantial governance and/or fiduciary risk, according to the World Bank’s [risk assessments](#). These tiny amounts would be more than offset if oversight activities prevent and/or expose as little as 1% of financial leakages in the Bank’s financing portfolio.

- 12. CSO activities supported by the proposed funding facility would provide significant social, economic, and financial benefits.** These benefits include (a) greater country ownership and responsiveness of development policies and programs; (b) enhanced inclusion, improved trust in government and the Bank, and localization; (c) better results through independent CSO monitoring; and (d) better accountability in expanded financing by exposing and preventing waste, fraud, and corruption through oversight activities.

These benefits are compelling reasons for the Bank and other development partners to invest in such partnerships. The principle that governments and the Bank should pay for systems to control leakages is well established. That is why the state accountability institutions exist and the Bank finances fiduciary work and the Integrity Vice Presidency from its budget. Following this principle, funding for partnerships among CSOs, government accountability institutions, and the Bank should be included as an essential component of fiduciary, monitoring and evaluation, and accountability systems of government and the Bank.

Additional reasons for establishing and funding such partnerships include incentivizing private donors to contribute to such a facility, enhancing public trust in both recipient and donor countries, and potentially improving IDA recipient countries’ scores in the [IDA’s resource allocation system](#) by improving portfolio performance and public financial management and control of corruption. If CSO-led accountability initiatives prevent as little as 1% of leakage of funds, the allocations would pay for themselves.



## VII. Suggested Framework for a CSO Funding Facility

1. **Introduction.** This chapter discusses a suggested framework for designing the proposed CSO funding facility. The whole design, including the scale of the facility, would require a full feasibility study. The feasibility study would need to incorporate the viewpoints and respond to the needs of a diverse group of stakeholders, including potential funders, IDA recipients, IDA management, potential grantees (local and international CSOs and academia), and operators and beneficiaries of benchmarked CSO funding facilities.

While a feasibility study is beyond the scope of this report, the framework discussed in this chapter is based on three activities. First, a prima facie review of eight CSO funding mechanisms (box 5) used by the World Bank–hosted trust funds. Second, the consultation draft of the report on “funding local civil society in partner countries,” which is being prepared for the Development Co-operation Directorate of the OECD. Finally, the PTF’s own 20-year experience in working with many donors provided a large evidentiary basis.

2. **Modality and institutional location.** The feasibility report for the CSO funding facility should review whether it should be set up within one or more existing trust funds or be established as a new trust fund. The facility would need to coordinate very closely with Bank operational staff as well as the Social Sustainability and Inclusion (SSI) and Governance Global Practices (GGP). Therefore, the Bank is the recommended location.

Drawing on existing good practice models, key criteria for deciding on the optimal modality (new or restructured, multi-donor trust fund, financial intermediary fund, window, etc.) should include independence of third-party monitors from the implementing agency to avoid conflicts of interest, financial products and processes appropriate for funding and capacity building of local CSOs, scale commensurate with the needs, and minimizing the transaction costs involved for CSOs and the IDA when engaging CSOs for accountability activities including TPM.

3. **Scope and components.** While funding gaps exist in both IDA and IBRD countries, we recommend prioritizing the IDA countries in recognition of (a) a scarcity of donor funding; (b) IDA18-20 foundational work on citizen engagement as a part of the governance thematic priority; (c) the relatively greater need among IDA recipient countries for supplementing implementation and accountability systems; (d) the relatively higher capacity of development

## VII. Suggested Framework for a CSO Funding Facility

needs and relatively lower possibility of domestic funding for local CSOs; and (e) the incentive for IDA recipient governments to improve their country allocations by engaging with CSOs to improve portfolio performance and their CPIA<sup>1</sup> scores for the “Public Sector Management and Institutions” cluster.

IDA operations are vast, country and project contexts are diverse, and the enabling environment for and the state of civil society varies widely by country and over time. Hence, CSO engagement would need to be tailored to each situation and prioritized. It would be unrealistic to expect that a new facility could commence with funding levels that would allow for covering all projects and all countries, even as the IDA expands. Even if funding were available, effective systems for selecting, funding, and managing CSOs at a large scale are a work in progress.

A gradual and iterative approach to operationalizing the facility would be prudent. It is therefore proposed that the facility start with the following three components with the option to add other components at a later stage:

- a. ***Component 1: Grants for analytical work to enable meaningful participation of local CSOs in the [IDA’s country engagement](#) and multistakeholder activities.*** IDA policies require consultations with CSOs on all their strategies, policies, and programs, with MSPs promoted in many instances. This component would fund the cocreation of effective assessments and/or road maps for effective CSO engagement at the country and sector level. It would help the CSOs do the background/analytical work needed for meaningful engagement. The cocreation awards under the OGP-MDTF provide an example of how cocreation could work. These awards (up to \$75,000 per grant) help CSOs engage with government and MSPs to cocreate action plans for enhancing open government. Focusing on country policies and systems for citizen and CSO engagement as part of country and sector assessments (systematic country diagnostic in the case of the World Bank) will help expand meaningful dialogue with recipient governments to argue the case for providing a more enabling policy and legislative environment that will support more effective operationalization of the Bank policies on stakeholder engagement and beneficiary participation.
- b. ***Component 2: Grants to local CSOs for independent TPM to enhance oversight of process legitimacy, results, and waste, fraud, and corruption in government spending.*** TPM would be selective and could focus on enhancing quality and accountability in the IDA-funded projects rated to face “high” governance and/or fiduciary risks. The ratings are initially assigned at the preparation and appraisal stages and updated during project implemen-

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<sup>1</sup> The IDA determines “country allocation” for each IDA recipient using a combination of the country performance rating (CPR) and their financing needs (assessed by their population and gross national income per capita). The CPR is determined annually based on the Country Policy and Institutional Assessment (CPIA), including “transparency, accountability, and corruption in the country,” and including the portfolio performance ratings (PPR) based on the implementation progress of projects. For a description, please see annex 3 in the [IDA20 Replenishment report](#). International Development Association, [IDA20 – Building Back Better](#).



## VII. Suggested Framework for a CSO Funding Facility

tation. A “high” rating at any stage could trigger consideration of TPM by CSOs as part of the risk management measures for the project.

- c. ***Component 3: Capacity building of local CSOs for TPM, citizen engagement, and constructive engagement with implementing and accountability institutions.*** This component would complement components 1 and 2 by focusing on the capacity building of CSOs to carry out TPM, facilitate citizen engagement, and constructively engage with implementing and accountability institutions in IDA recipient countries. The goal would be to develop a roster of local CSOs skilled in TPM and engagement in IDA operations, and the emphasis would be on learning by doing. The capacity-building program would be developed and managed by the country/regional fund manager (C/RFM) (see the Implementation Arrangements section). Precedents are provided by GEF-SGP and GPEF-EOL (box 5) that support CSO capacity building with up to 10% and 15% of country programs, respectively. Both GPSA and JSDF have also supported capacity building in the past.

### **Box 6: How Would the Facility Work in Practice, and What Might the Outcome of TPM Be on the Project?** (This is an imagined example.)

The IDA has been asked to finance a road reconstruction project in a poor country devastated by floods. The country has serious fiduciary and governance risks. The construction industry is notable for its lack of integrity. The IDA team is anxious to have the risk mitigation plan include independent TPM to supplement the borrower's own fiduciary mechanisms, which are known to be ineffective, and the IDA's monitoring requirements, which cannot reach down to the operational level. The IDA and government agree to include a TPM mechanism in the risk mitigation plan.

The CSO financing facility has selected a CSO experienced in the country or region (local or international) as its country/regional finance manager (C/RFM). The CSO is familiar with the CSO community in the country. CSOs have a history in the country of providing essential services such as health, education, and even some security functions. Some local CSOs meet the selection criteria for inclusion in the project.

The C/RFM, in consultation with the IDA project team and the implementing agency, agrees on the activities to be covered by TPM in the initial phase of the project. In this case, it will involve citizen monitoring of the procurement process for selecting the contractor building the first road segment. In subsequent periods, it will involve citizen monitoring of the construction process, tracking change orders in the contract, and financial flows.

The C/RFM issues a call for proposals, inviting local CSOs to submit proposals. The local CSOs will have been vetted to ensure they meet the requisite criteria. The winning CSO or CSOs will be selected by the financing facility governing body set up in the region. They will undergo training/certification. The CSOs will agree to follow a cooperation process that sets out respective commitments of the implementing agency, C/RFM, and the IDA for constructive engagement, including sharing and disclosing information and reports.

The TPM process will be monitored by the C/RFM, who will also sponsor an evaluation of the results. The results may include diversion/leakages identified/prevented and significant improvements in compliance and outcomes due to timely adjustments resulting from the monitoring. It could also include referrals to appropriate implementing/accountability authorities for addressing issues identified by the TPM and their responses/actions.

## VII. Suggested Framework for a CSO Funding Facility

- 4. Eligibility.** CSOs legally established in an IDA recipient country would be eligible to receive funds if they are not-for-profit entities. These may include community-based groups, women's groups, indigenous peoples' organizations, charitable organizations, faith-based groups, foundations, academic institutions, associations, policy development and research groups, trade associations, and social movements.

Selection would be based on a competitive process and eligibility criteria that could include requirements to demonstrate the requisite capacity and credibility to perform TPM and meet standards of good governance. For example, selected CSOs may be required to have a certificate of completing and/or passing prescribed TPM training that could be funded under component 3. Similarly, only CSOs that have adopted and signed appropriate codes of conduct or accreditation schemes for governance standards could be eligible for funding. The feasibility study would need to look at practices in benchmark CSO funding mechanisms (annex 6) and recommend good practices.

- 5. Governance and management.** The review of CSO funding mechanisms (box 5 and annex 6) and PTF experience suggests that to manage the trade-off between local knowledge and the high cost of creating a local office, an effective mechanism used in other trust funds is to designate a country or region-based CSO as a C/RFM. The country manager would manage a small grants program for multiple local NGOs engaged in the same IDA-funded project. A regional CSO could do the same in smaller countries. A small global secretariat would be responsible for overseeing the program and selecting the country or regional fund managers. Several precedents for such a model exist in GEF-SGP, GPEF-EOL, and DMG-Global (annex 6).

Consistent with significant differences in size and scope, the mechanisms utilized differing governance and administrative structures. These ranged from central steering committees supported by small technical secretariats to more expanded governance and technical support structures at global, regional, and/or national levels. Some mechanisms were more successful than others in achieving desired outcomes.

Effective and responsive mechanisms shared several characteristics, including understanding and dealing effectively with the local context; utilizing simplified grant-making arrangements and reporting requirements to take account of the limited capacity of local CSOs to deal with complex legal and operational requirements; and engaging grant recipients in defining activities consistent with program objectives instead of predetermining activities. This rich evidence base can be drawn upon in designing a fit-for-purpose management structure for the facility.

- 6. Grant processing mechanisms.** It is important that the facility's financial products, processing times, and transaction costs are tailored to the special needs of small grants to local CSOs. The GPSA and OGP-MDTF use the World Bank's standard loan/appraisal processing criteria for direct granting to CSOs, but these are not regarded as fit for the purpose of small grants to CSOs. Alternate models exist, such as the use of intermediaries by [GEF-SGP](#) for over 30 years to make grants of up to \$50,000 to CSOs and by [GPEF-EOL](#), which was founded

## VII. Suggested Framework for a CSO Funding Facility

in 2020 and has grown to fund 100 CSOs in 60 countries in a short period. The feasibility study would need to assess the relative efficiency and merits of the alternate grant processing mechanisms listed in box 5 and other relevant funding mechanisms used by bilateral donors and/or grant-making foundations.

7. **Links to the IDA.** CSO third-party monitoring will need to be independent of both implementing agency and IDA control while still being an integral part of project fiduciary and risk management efforts. Both the IDA and government will need to agree to CSO TPM but allow CSOs to carry out their activities independently. One approach would be to include TPM in the project risk mitigation plan for the project agreed upon by the IDA and government agency. This would represent government consent and help ensure that the findings of TPM would be considered by the relevant authorities. IDA representatives might be included in the governance of the facility and the selection and performance reviews of the country or regional fund manager CSOs. However, they would not be involved in the management of the facility or oversight of the CSOs.
8. **Constructive engagement with government agencies.** Third-party monitoring is only effective if the monitored parties respect the process, provide relevant access and information, and honor redress processes. Constructive engagement between government agencies and CSOs is a prerequisite for effective TPM. The proposed “Links to the IDA” can help ensure implementing agencies recognize that TPM can improve project outcomes as well as mitigate risks. The IDA will need to ensure that the agreed arrangements are honored. A good practice would be to have a cooperation instrument (memorandum of understanding or cooperation) that lays out the respective obligations of CSOs, country/regional fund managers, implementing agencies, and the IDA.
9. **Estimating the size of the funding facility.** The funding facility would supplement existing country and IDA fiduciary mechanisms. It should be adequate to meet the scope of likely CSO country engagement, TPM, and capacity-building needs for the normal three-year cycle of IDA, plus the global secretariat costs. We have used a simple model (see box 7) to estimate orders of magnitude of funding requirements for three years under different assumptions.

In the model, we estimate a low-end funding requirement for three years to be about \$206 million and a high-end funding requirement of \$537 million. Using this, the facility would allocate country/regional budgets based on the number of projects to be monitored and the extent of capacity building needed. The costs for fund management at the country or regional level would vary by location and estimated size of business and would normally be included in the country program budget. The cost of the global secretariat would be additional. A rigorous exercise to determine the amount required would be part of a feasibility study.

**Box 7: Model for Estimating Funding Scale (F) for the Proposed Local CSO Funding Facility in IDA-Eligible Countries**

$$F = CC + G + CB$$

**CC=** Budget for grants to local CSOs for analytical work to enable their meaningful participation in the IDA’s country engagement activities. (Assumption = 50–100 grants per year at an average amount of \$75,000 = \$3.75M per year at the low end (\$11.25M over three years) and \$7.5M per year high end (\$22.5M over three years)

**G=** Budget for grants to local CSO-led independent TPM and other oversight activities to enhance process legitimacy, verify and improve results, and prevent and expose waste, fraud, and corruption. Estimated as  $(H \times C \times Y)$  where,

- H= # of IDA projects rated “high” for governance and/or fiduciary risks in a given FY. Assumed 10–25% (table 2) of 250 approvals a year.
- C= Average cost of TPM per project. Estimated \$2.5 million per project based on World Bank data on actuals (annex 5).
- Y= # of years in replenishment period (assumed to be three years).

**CB=** Budget for support programs to build the technical capacity of local CSOs to participate in country engagement and TPM activities (assumed as 10–15% of G)

G per year= Low end, \$187M (25 x \$2.5M x 3)

G per year= High end, \$465M (62 x \$2.5M x 3)

F for three years (low end) = \$206.25 million (11.25+187.5+7.5)

F for three years (high end) = \$537.5 million (22.5+465+50)

Source: Authors

- Options for funding scale.** The above funding scale targets all IDA-funded projects deemed to be most at risk on the basis of high-risk projects on geography (region) and/or sectors or themes (e.g., service delivery, human development, climate change, FCS, etc.). It is important to emphasize that in most scenarios, required funding would be several orders of magnitude over current funding facilities for such TPM activities.
- 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

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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’s infrastructure to oversee accountable CSE; and (d) development of local CSO institutional capacities in tandem with building effective state institutions in a sustained manner.

In our view, with due advocacy, the proposed facility could attract support from IDA donors/recipients and foundations, which would like to ensure the highest possible value for money for their contributions and leverage their contributions to support local CSO engagement in the IDA and beyond.

12. **The theory of change and core performance indicators for the facility should be agreed upon upfront.** This would keep the facility focused on results and reduce the downstream work in subgranting. Foundations for this are available in the theory of change (TOC) underlying the Bank’s citizen engagement strategy, the [theory of action for the GPSA](#), and the TOC and results chain for the [Global Governance Program](#) issued by the Global Governance Practice.<sup>2</sup>
13. **There was high stakeholder interest in a dedicated funding mechanism, but also questions and concerns.** We are providing a comprehensive list of questions and concerns raised, along with our initial responses below, to inform a continuing discussion (see table 4). It should be noted that some of our responses have informed our recommended design parameters.

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<sup>2</sup> This program document describes a governance program to be implemented by the World Bank at global, regional, and country levels. The program is being supported by two umbrella trust funds (UTF) for Governance & Institutions (G&I) and for Financial Management. The “Institutions of Accountability” module under the G&I UTF would provide support to nonstate actors including CSOs. World Bank Governance Global Practice, [Global Governance Program](#) (World Bank Group, ND).

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**TABLE 4: Stakeholder Comments and Responses**

Questions/Concerns	Responses
<p>IDA accountability and fiduciary systems are highly regarded. What is the need?</p>	<p>Substantial challenges persist and may get more acute as IDA spending grows. It is imperative for the IDA to do everything possible and keep improving. One underutilized avenue for doing better is to significantly expand. Expanding CSE has proven potential to prevent and detect diversion and misuse in spending and enhance credibility and trust by results and compliance verification.</p>
<p>What is the evidence that citizen/CSO-led monitoring would improve results?</p>	<p>There are no guarantees, but multiple evidence reviews by the Bank and others show that in supportive contexts, citizen and CSO engagement has improved transparency, accountability, and control of corruption in public spending. That is why the Bank’s policies and practices already support it.</p>
<p>Many IDA donors support CSOs through other ODA programs. What is the value added of a facility at the IDA?</p>	<p>True, but their linkages to IDA-funded operations are nonexistent or weak. Setting up the facility at the IDA will ensure that TPM is made an integral part of risk mitigation plans for the projects and that findings receive consideration from project authorities. Channeling resources to CSOs through the IDA would not be subject to restrictions on foreign funds flowing to local CSOs, and the use of funds would be supervised by the IDA.</p>
<p>GPSA and other trust funds exist at the Bank to fund CSOs.</p>	<p>Yes, but not for large-scale accountability/independent TPM by CSOs. GPSA is solely dedicated to funding CSOs for social accountability activities but has averaged only about \$5 million a year over the last ten years and is considered high cost, linked weakly with the IDA, and due to expire in 2026. It has the potential to be restructured to serve the roles proposed.</p>
<p>The World Bank is ill-suited for funding local CSOs.</p>	<p>Yes, this is proven by experience with GPSA as well as feedback from CSOs. The framework we are proposing suggests alternate modalities and a review of several other fit-for-purpose CSO funding mechanisms.</p>
<p>A CSO window under the IDA is not appropriate as it would further fragment the IDA.</p>	<p>A window under the IDA has very specific meanings and modalities and is set up only exceptionally. Our proposal is to use an existing multi-donor trust fund to establish a module for a facility rather than a “window.” This is discussed in detail in the framework.</p>

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<p>How would a dedicated funding facility improve IDA recipient willingness to accept citizen/CSO-led TPM?</p>	<p>Experience confirms that IDA recipients are extremely reluctant to take money from their IDA envelope and allocate it to CSOs to hold the government accountable. However, many IDA recipients and CSOs are open to engaging with each other if funding does not come from the government. For example, many IDA countries are members of open government partnerships. IDA recipients see GPSA funding of CSOs as incremental for the country and have joined GPSA. There are rare instances of IDA recipients channeling IDA and trust fund resources to CSOs and enlisting CSOs to mitigate risks at the project level. All of this supports the proposition that, while some will not consent, willingness among many others to accept TPM would be higher with a dedicated funding facility than without.</p>
<p>Some IDA members would be reluctant to support this initiative.</p>	<p>On at least two past occasions, the Bank's board has unanimously approved CSO engagement and funding to improve governance, accountability, and control of corruption, including through social accountability: (a) the 2007 Governance and Anti-corruption Strategy and (b) 2012 approval to set up the Global Partnership for Transparency. In addition, IDA18-20 included statements supporting the use of social accountability and mechanisms for citizens to hold the state accountable.</p>
<p>Availability of CSOs with requisite capacity credibility of CSOs for TPM.</p>	<p>It is proposed that grantees for TPM would need to be duly qualified by past experience and/or completing training offered by the facility. This approach will, over time, build country systems and address the catch-22 situation in which local CSOs lack experience because there is a lack of work/funding, and they cannot get funding due to a lack of expertise.</p>
<p>International CSOs will crowd out local CSOs.</p>	<p>The focus will be on TPM by local CSOs. The bulk of the funding would go to local CSOs. INGOs may play a role in technical support, as fund managers, and in transitions and capacity building. Caps on funding for ICSOs could be considered if necessary.</p>
<p>Many implementation challenges, e.g., CSO selection criteria, government cooperation, fiduciary risk relating to CSOs, etc.</p>	<p>These challenges are not unique. Many models of funding CSOs exist inside and outside the Bank and, as part of the report, we reviewed more than a dozen of them. A viable framework for designing the recommended facility has been outlined. This is not a substitute for a full feasibility study but indicates that solutions exist.</p>



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<p>Who is willing to fund the facility? Where will money come from?</p>	<p>We believe that funders may come from the following groups: (a) IDA donors who are interested in assuring their constituencies that everything possible is being done to enhance value for money for their contributions; (b) IDA donors who want to promote open societies and support civil society; and (c) foundations/INGOs interested in leveraging their funding for local CSOs and opening up civic space and business opportunities for CSE by local CSOs in the vast portfolio of IDA operations. The Bank has the requisite contacts and knowledge to reach out to specific official and private donors, assess interest in funding, and carry out a feasibility study if the IDA partners want to explore feasibility.</p>
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## VIII. Way Forward

The Development Committee “supported efforts to enhance operational effectiveness and efficiency to increase the speed, scale, and quality of implementation to better serve all clients, proactively managing risks through the World Bank’s robust environmental, social, and fiduciary standards and accountability mechanisms.”

—[Statement](#) by the Chair of the World Bank Group [Development Committee](#), October 12, 2023

“[The enhanced] vision and mission [in the Evolution] will test the sincerity of our ambition—it sets us on a journey that will require reimagined partnerships, a new way of working and thinking, an innovative plan to scale and replicate, additional resources, and optimism for what could be possible. That is the new direction of the World Bank and what I am excited to share with you today. . . . If we really want to incentivize change—we can’t just wish it—we need to fight for it. Nowhere is this truer than IDA. We are pushing the limits of this important concessional resource and no amount of creative financial engineering will compensate for the fact that we need more funding. This must drive each of us to make the next replenishment of IDA the largest of all time.”

—[Remarks](#) by World Bank Group President [Ajay Banga](#) at the 2023 Annual Meetings Plenary, October 13, 2023

1. **At its annual meeting in October 2023, the World Bank embarked on a historic [expansion](#).** Its new vision and mission have set the stage, among other things, for the development of an enhanced [country engagement](#) model with expanded core analytics, expanded IDA and IBRD [financing](#), pilot global challenge programs, a knowledge compact for action, streamlined citizen and stakeholder engagement frameworks, and the largest ever IDA21 Replenishment. A deeper partnership with civil society can add significant value to each of these elements, as called for by stakeholders and promised as part of the [Evolution](#).

2. **Collaboration with and funding for CSOs are not new mandates for the Bank.** The shareholder support for deepening partnerships with civil society under the Evolution builds on a distinguished history. This is evidenced by the following: (a) the Bank's shareholders approved a CSO engagement policy in 1981, and the [Guidance Note on Multistakeholder Engagement](#) in 2009 outlined the legal and policy basis for working with CSOs, the media, and parliaments; (b) the Bank's board has unanimously approved CSO engagement and funding to improve governance, accountability, and control of corruption, including through social accountability as part of the [governance and anti-corruption strategy](#) and 2012 approval to set up the [Global Partnership for Social Accountability](#); (c) the [IDA18-20](#) Replenishment supports the use of social accountability and mechanisms for citizens to hold the state accountable.
3. **The Bank's commitment to "deepen partnerships with civil society" needs to be followed by a strategy and business plan developed with stakeholders, including civil society.** As is evident from stakeholder feedback on the Evolution and calls by the G-20 and OGP, the time is right to take bold actions to rethink, rapidly expand, and adequately finance the involvement of CSOs in the Bank's new operating model. The ten recommendations put forth in this report are intended as inputs in the Bank's thinking on how to deepen partnerships with civil society building on past progress.
4. **Deepening partnerships with civil society in the IDA should be a special topic for discussion in the IDA21 Replenishment.** The strategic directions option paper for IDA21 should include a discussion of how partnerships with civil society will be deepened. The IDA18-20 have supported citizen and CSO engagement. This work provides a good foundation for deepening under IDA21. It is suggested that a discussion paper on the deepening of partnerships with civil society under IDA21 be prepared. It may consider the following questions:
  - a. How will partnerships be deepened beyond consultations in key areas of the IDA's work at the country level, e.g., country engagement, delivery of outputs and results, localization, and accountability?
  - b. How will the IDA ensure civic space and adequate financing for local CSOs' engagement that is planned in IDA-supported operations according to the citizen and stakeholder engagement policies of the Bank?
  - c. How will the IDA operationalize the goals of tapping local CSO knowledge and building their capacity as envisaged under the Knowledge Compact under the Evolution?
  - d. What will be done under IDA21 to strengthen the current systems and procedures, including third-party monitoring and social accountability by civil society, to prevent fraud, waste, and corruption and strengthen IDA's fiduciary controls?
5. **Deepening partnerships with civil society in the IDA and IBRD, beyond consultations, would have considerable benefits.** It would potentially (a) enhance implementation and delivery by supplementing government efforts; (b) increase inclusion, trust in government, and locally led development; (c) lead to better results through independent CSO monitoring;

and (d) expose and prevent waste, fraud, and corruption through oversight activities. Because of its global multilateral presence, close and trusted long-term relationships with clients, and operationally apolitical mandate, the Bank is also uniquely positioned to support civic space in its member countries through non-project-related funding for CSO activities. The IDA offers significant comparative advantages in advancing citizen and CSO engagement for enhancing development effectiveness (box 8).

### **Box 8: The IDA's Comparative Advantage in Promoting CSO Engagement**

- CSOs already have a substantive engagement in development processes supported by almost all bilateral official development assistance providers as well as international CSOs, including foundations and philanthropists. The IDA brings significant value added to this broader effort.
- Value added derives from the capacity to leverage its long-term and trusted relationship with governments, concessional IDA funding, CE/SE policies, country presence, and prior actions process for development policy (budget support) operations. It can and does promote CSE as an integral part of the comprehensive development assistance package it provides.
- Institutionalizing CSE in future IDAs will draw on the considerable investment made in the decades-long CSE in the IDA and the infrastructure and expertise in developing countries, especially FCS situations, to channel funds to CSOs and supervise CSE over the full project life cycle.
- The IDA can often work in situations where there are government restrictions on foreign funds flow to local CSOs from private and official bilateral donors (especially in FCS situations).
- Substantial expansion of CSO engagement in IDA operations will have many externalities, such as building, over time, a capable and well-resourced local civil society in IDA recipients that can engage constructively with the governments, promote open government systems, and develop trust in and support for the IDA as well as implementing authorities.

6. **This report presents ten recommendations for consideration by Bank shareholders, management, and the broader community of stakeholders.** Work being done by the Bank to develop a partnership charter (called for under the Evolution), the new playbook for delivery, an enhanced country engagement model, pilot global challenge programs, a knowledge compact, and the “*review of how IDA is partnering with other development actors*” (an [IDA20](#) Mid-Term Review deliverable) provide suitable entry points consideration of these ten recommendations for deepening partnerships with CSOs beyond consultations. The PTF will continue to advocate for the recommended actions during the Bank’s Evolution work, the IDA20 Mid-Term Review in December 2023, and the IDA21 Replenishment discussions during 2024.



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## Glossary

**Board of Executive Directors.** Twenty-five executive directors are elected or appointed by member countries every two years and are “responsible for conducting the day-to-day business of the World Bank.” The [World Bank](#) specifies that executive directors are elected/appointed to “*the Boards of the International Bank for Reconstruction and Development (IBRD), the International Development Agency (IDA), the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA). While there are four Boards, Executive Directors serving on these Boards are usually the same.*”

**Citizen.** The WBG [Strategic Framework for Mainstreaming Citizen Engagement in World Bank Group Operations](#) defines citizens as “*the ultimate client of government, development institutions, and private sector interventions in a country. Citizens can act as individuals or organize themselves in associations and groups such as community-based groups, women’s groups, or indigenous peoples’ groups.*”

**Civil Society.** Civicus defines it as “*the arena, outside of the family, the state, and the market, which is created by individual and collective actions, organizations, and institutions to advance shared interests.*”

**Civil Society Organizations (CSOs)** refer generically to organizations (i) not based in government and (ii) not created to earn profit. The [ADB](#) defines CSOs as nonprofit organizations independent of the government that operate around common interests. They vary in size, interests, and function and include nongovernment organizations (NGOs), youth groups, community-based organizations, independent academic and research institutes, professional associations, foundations, faith-based organizations, people’s organizations, and labor unions. CSOs represent the interests of their members or others.

**Civic Space.** The [OECD](#) defines civic space as “*the set of legal, policy, institutional, and practical conditions necessary for non-governmental actors to access information, express themselves, associate, organize, and participate in public life.*” For a discussion on the role of civic space in the World Bank operations, see [Civic Space: The Missing Element in the World Bank’s Country Engagement Approach](#).

**Contract Awards Database** includes all contract awards financed by the World Bank under Investment Project Financing (IPF) operations. The data source is STEP (Systematic Tracking of Exchanges in Procurement), which is required to be used by borrowers in all IPF operations

subject to the World Bank's procurement regulations. Data by each contract award is entered by borrowers.

**Core Country Analytics.** These comprise a suite of country-level diagnostic reports (core analytics) underpinning the World Bank Group (WBG) engagement in a country. The [new playbook for the Evolution](#) proposes an updated suite of core country analytics that will include: the *Country Climate and Development Report*, the *Poverty and Equity Assessment* (PEA); the *Country Economic Memorandum, a Growth and Jobs Report* (a revamp of the country economic memorandum), a *Public Finance Review* (an expansion of the current Public Expenditure Review), an updated *Country Private Sector Diagnostic* (CPSD 2.0), and, for countries on the list of fragile and conflict-affected situations (FCS), a *Risk and Resilience Assessment*.

**Country Engagement** refers to WBG engagement in each country to provide development assistance. The [Country Engagement Directive](#) provides direction on the development of a framework for each institution of the WBG to engage with member countries. Currently, it comprises the following products: the Systematic Country Directive (SCD), Country Partnership Framework (CPF) or a Country Engagement Note (CEN), Performance and Learning Review, and Completion and Learning Review. The new playbook will strengthen the country engagement cycle; details are yet to be worked out.

**Country Partnership Framework.** See Country Engagement.

**Country Policy and Institutional Assessment (CPIA).** The CPIA assesses a country's policy and institutional framework through 16 specific criteria grouped into four clusters: (a) economic management; (b) structural policies; (c) policies for social inclusion and equity; and (d) public sector management and institutions. Criteria #16 covers transparency, accountability, and corruption in the public sector and is included in the public sector management cluster. Ratings are assigned by the World Bank staff on a scale of 1–5, with 5 being the highest. For details on the methodology, see [CPIA Criteria 2022](#), and for ratings, [2022 CPIA Results](#).

**Demand Side of Governance** refers to the extent and capability of citizens (including civil society groups) to hold the state accountable and make it responsive to their needs. (Source: [Strengthening Governance: Tackling Corruption](#), paragraph 76, The World Bank.)

**Development Assistance Committee (DAC)** refers to the [OECD's](#) forum composed of 32 of the world's largest aid donors. It holds high-level meetings every two to three years to set and review the committee's work. It aims “to promote development co-operation and other relevant policies to contribute to the implementation of the 2030 Agenda for Sustainable Development, including inclusive and sustainable economic development, the advancement of equalities within and among countries, poverty eradication, improvement of living standards in developing countries.”

**Development Policy Financing.** See Financing.

**Evolution** refers to the World Bank's new vision to create a world free of poverty on a livable planet and its new mission to end extreme poverty and boost shared prosperity by strengthening inclusion, resilience, and sustainability. This new [vision and mission, approved by the shareholders](#)

in October 2023, is accompanied by a new playbook with solutions to support country priorities and address intertwined global challenges to drive impactful development with speed and scale.

**Financing.** This term covers the three main types of financing provided by the IDA and IBRD to client countries: IPF, DPF, and PforR. [Investment Project Financing](#) (IPF) provides financing to governments for activities that create the physical/social infrastructure necessary to reduce poverty and create sustainable development. [Development Policy Financing](#) (DPF or DPO) provides budget support to governments or a political subdivision for a program of policy and institutional actions to help achieve sustainable, shared growth and poverty reduction. [Program-for-Results Financing](#) (PforR) links the disbursement of World Bank funds directly to the delivery of defined results, helping countries improve the design and implementation of their own development programs and achieve lasting results by strengthening institutions, enhancing systems, and building capacity.

**Global Challenge Program (GCP)** is being launched as a pilot under the [Evolution](#). Each GCP will comprise a series of country-level operations, where countries wish, that address one or more of the following global challenges: (i) Fast-Track Water Security and Climate Adaptation; (ii) Energy Transition, Efficiency, and Access; (iii) Enhanced Health Emergency Prevention, Preparedness, and Response; (iv) Accelerating Digitalization; (v) Food and Nutrition Security; and (vi) Forests for Development, Climate, and Biodiversity.

[Global Partnership for Social Accountability](#) was established in 2012 to continue the Bank's engagement with beneficiaries and civil society organizations (CSOs). Its [mandate](#) is to focus on (a) generating knowledge, networking, and financing to build civil society's capacity to engage in evidence-based social accountability; (b) supporting Bank teams and government counterparts in embedding social accountability more strategically in their programs; and (c) drawing on the experience, knowledge, and resources of external partners to enable the Bank to scale up its engagement in this area. It is funded by a multi-donor trust fund that is due to expire in 2026.

[IDA Replenishments](#) refers to the process by which the IDA gets its resources for providing concessional financing to the world's poorest countries. Officials from the donor governments (known as IDA Deputies) and representatives of borrowing countries meet every three years to replenish IDA resources and to review its policy framework. The most recent replenishment of IDA's resources, the twentieth ([IDA20](#)), was finalized in December 2021, resulting in a historic \$93 billion financing package for IDA countries for fiscal years 2022–2025. The financing package is the largest ever mobilized in IDA's 61-year history. Discussions for the IDA21 Replenishment are expected to conclude in 2024.

**The International Bank for Reconstruction and Development ([IBRD](#))** provides loans to middle-income and creditworthy low-income countries.

**The International Development Association ([IDA](#))**, a part of the World Bank Group, provides low-interest loans and grants to the world's 74 poorest countries.



**International Finance Corporation (IFC).** The IFC is part of the [World Bank Group](#) with the specific aim of leveraging private sector resources to reduce global poverty. However, it remains “legally and financially independent” from other parts of WBG.

**Investment Project Financing (IPF).** See Financing.

**Knowledge Compact for Action** is part of the new playbook under the [Evolution](#). It will build on the 2021 Strategic Framework for Knowledge to generate stronger alignment with global challenges—producing country and global knowledge and integrating the best knowledge available from all sources in World Bank engagements and operations. It will support clients more systematically with training, data collection, curation, analysis, and dissemination.

**Localization** refers to country ownership and leadership in designing and implementing development policies and programs by expanding local players’ participation and control. For a discussion of the localization agenda and issues, please see [OECD-DAC Recommendation for Enabling Civil Society in Development Cooperation and Humanitarian Assistance, Localization and Civic Space](#) by the International Center for Not-for-Profit Law, and [Local Capacity Strengthening Policy](#) from the USAID.

**Multilateral Development Banks (MDBs).** The term generally refers to the African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, and the World Bank. The [MDBs covered by the G20 Independent Experts Group report](#) include the following additional banks in the term “MDBs”: African Development Fund, Arab Bank for Economic Development in Africa, Asian Infrastructure Investment Bank, Black Sea Trade and Development Bank, Caribbean Development Bank, Central American Bank for Economic Integration, Council of Europe Development Bank, Development Bank of Latin America, European Investment Bank, IDB Invest, International Bank for Reconstruction and Development, International Development Association, International Finance Corporation, International Investment Bank, Islamic Development Bank, New Development Bank, and North American Development Bank.

**Multistakeholder Platform (MSP).** The [IDA19](#) commitment was “*to establish and strengthen platforms for engaging with multiple stakeholders, including women as well as vulnerable groups, in policy-making and implementation to enhance public participation, accountability, and responsiveness.*” The list of 30 countries where MSPs were supported, per a policy commitment, is available on page 83 of the [IDA19 Retrospective](#). MSPs have also been established by the Open Government Partnerships (called OGP Steering Committees with a 50:50 representation of government and civil society) in many IDA/IBRD-eligible countries using the [OGP Participation and Co-creation Standards](#).

**Open Government Partnership** is a broad partnership that includes members in 75 nations, 104 local governments, and thousands of civil society organizations. Through the [partnership](#), governments and civil society work together to cocreate two-year action plans with concrete steps—commitments—across a broad range of issues. It is based on the idea that an open government is more accessible, more responsive, and more accountable to citizens and that



improving the relationship between people and their government has long-term, exponential benefits for everyone.

**Official Development Assistance (ODA)** refers to an [OECD](#) and DAC-created term, which is defined as “government aid that promotes and specifically targets the economic development and welfare of developing countries.” In 2022, ODA reached a record 204 billion USD, up from 186 billion USD in 2021.

**Partnership Charter.** Under the [Evolution](#), the World Bank will deepen partnerships with other organizations to maximize the impact of the new playbook. The Bank will develop a partnership charter to articulate principles for establishing and working in partnerships. Better incentives to partner will be created by establishing framework and contracting arrangements, increasing communications, and improving reporting on partnerships.

**Program-for-Results.** See Financing.

**Social Accountability** refers to beneficiaries and civil society groups engaging with policymakers and service providers to bring about greater accountability for and responsiveness to beneficiary needs. (Source: The [Board paper #67581](#) establishing Global Partnership for Social Accountability, The World Bank.)

**Systematic Operational Risk Assessment Tool (SORT)** is used by the World Bank staff to assess and report on risk in country engagement programs and lending operations (DPF, IPF, PforR). The SORT assesses development outcome risk (DOR)—the risk to the client’s ability to achieve expected outcomes (effectively, efficiently, and sustainably) in Bank-supported projects and programs—and the risk of harm or unintended consequences. The SORT ratings reflect the residual risk (after mitigation) and are assigned to 10 risk categories, including the three discussed in this report: (i) Political and Governance; (ii) Institutional capacity for implementation and sustainability; and (iii) Fiduciary: Financial Management and Procurement. A “high” risk rating is assigned when the probability of occurrence is greater than 75% and the impact on the development outcome would be major or severe. A “substantial” risk rating signifies a medium or higher probability of occurrence that could have a significant or major adverse impact on the development outcome. (Source: The Bank’s staff guidance for using the [Systematic Operations Risk-Rating Tool](#) Interim Guidance dated June 25, 2014, and the final guidance dated July 15, 2021.)

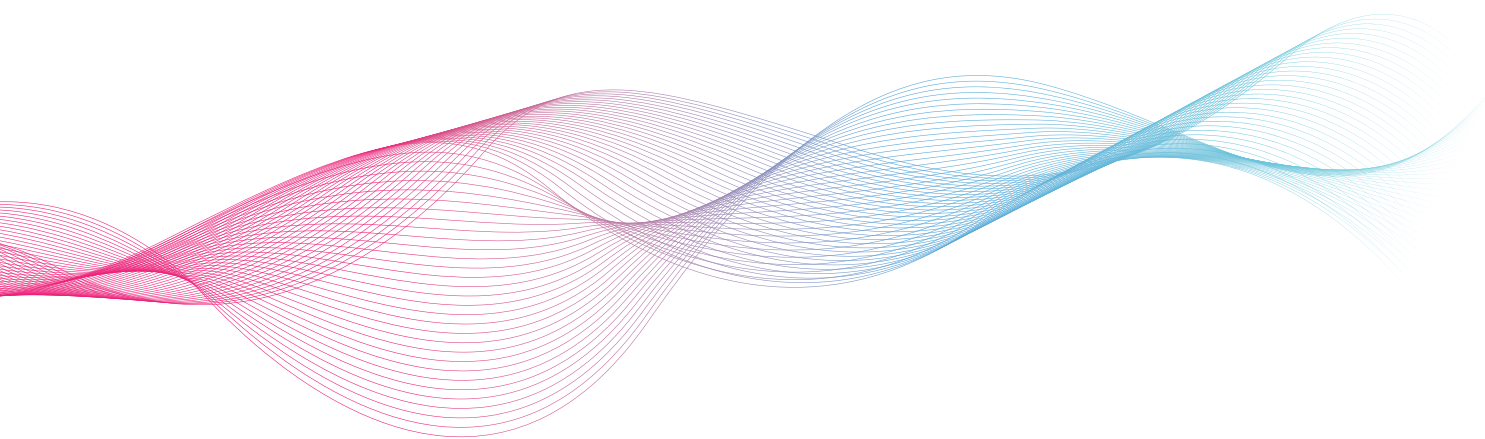
**Third-Party Monitoring (TPM)** is generally defined as monitoring conducted by a third party that is neither the project implementing agency (IA) nor the donor. The Bank’s 2018 [Good Practice Note on Third-Party Monitoring](#) in [ESF](#) defines a “third party to be external to the project who is neither a direct beneficiary of the project nor part of the project’s management structure.” Donor motivations for TPM typically include using TPM as eyes and ears when their own access is limited, mitigating unusual or high risks, independently verifying value for money, and assuring communities and taxpayers of accountability in the use of donor funds. IA motivations include supplementing their M&E capacity and systems, assuring donors and the public that the IA is meeting outputs and outcomes commitments, collecting feedback to improve performance, being



more responsive and accountable to beneficiaries, building community trust, and complying with donor conditions.

**Trust Funds and Financial Intermediary Funds.** World Bank Group trust funds are financial instruments that accept contributions from one or more donors, which are held and disbursed by the World Bank Group as a trustee. Financial intermediary funds (FIFs) are a special type of trust fund for which the World Bank is a limited trustee or treasury manager and an implementing entity. Typically governed independently, FIFs provide large-scale pooled funding through multiple implementing entities for global public goods, such as responding to climate change, mitigating communicable diseases, and enhancing food security. (Source: [2022 Trust Fund Annual Report](#), World Bank.)

**World Bank Group.** The [International Development Association](#) (IDA) provides low-interest loans and grants to the world's 74 poorest countries, while the [International Bank for Reconstruction and Development](#) (IBRD) focuses on middle-income and creditworthy low-income countries. Both follow the same operational policies and are part of the [World Bank Group](#) (WBG). The Group also includes the [International Finance Corporation](#) (IFC), which funds the private sector; the [Multilateral Investment Guarantee Agency](#) (MIGA), which provides risk insurance and credit enhancement in cross-border private sector investors and bankers; and the [International Centre for Settlement of Investment Disputes](#) (ICSID), which provides international investment dispute resolution services.



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## ANNEX 1: Terms of Reference for the Report

The Open Society Institute has supported an [advocacy campaign to establish a civil society organization \(CSO\) window](#) in the International Development Association (IDA), with 1% of the proposed [IDA20 Replenishment](#) being initiated by the Open Society Institute (OSI) and the [Civil Society Steering Committee of the Open Government Partnership](#) (OGP). The allocation would support CSOs' independent monitoring of IDA financial assistance in IDA [borrowing countries](#). The Partnership for Transparency Fund ([PTF](#)) and its affiliates [have endorsed](#) the campaign and written to IDA deputies from donor countries to support such an initiative for funding CSO engagement.

The principal arguments used in the campaign, endorsed by more than [180 CSOs around the world](#), include:

- a. The unprecedented amount of IDA20 resources (\$90 billion from July 2022 to June 2025) that “*will be wasted if they are not accompanied by robust accountability mechanisms matched to today’s challenges.*” Just 1% improves the integrity and returns on the other 99%.
- b. Civil society at the national and international levels has a central role in delivering such oversight in the public interest.
- c. The World Bank, IDA donors, and IDA borrowing countries already recognize the value of civic engagement for responsive and accountable delivery. [IDA18](#) (p. 48) and [IDA19](#) (p. 58–59) both include policy commitments associated with “citizen engagement,” open government, and “multistakeholder platforms” convened by the Bank. The [Over-view of IDA20](#) mentions partnering with CSOs and citizen engagement among its key principles (p. 19).
- d. The twin challenges of declining civic space and reduced funding, made worse by the pandemic, undermine civil society’s capacity to promote transparency, accountability, and control of corruption in public spending and to hold the state accountable.

Donors and World Bank managers involved in IDA discussions have welcomed CSO engagement and support for IDA20 discussions while pushing back on the idea of a CSO

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<sup>1</sup> [“Statement of the OGP Civil Society Steering Committee in Support of a Civil Society Window in the World Bank’s IDA20 Replenishment”](#) (Open Government Partnership, 2023).

window and 1% allocation in IDA20. The current Bank policies<sup>2</sup> recognize the benefits of citizen and stakeholder (including CSO) engagement and allow such engagement in the life cycle of IDA operations. However, there is a dearth of information on the actual number, volume, and locations of CSO engagement in IDA operations. Available information suggests that the spaces for CSO engagement, enabled by the current policies, remain largely underutilized due to a multitude of constraints, including explicit funding processes. Thus, the key challenge is to persuade the Bank and IDA donors to adopt proactive actions to close the gap between the potential and actual CSO engagement during the implementation and monitoring of IDA operations.

The contractor will develop an options note to examine the above concerns about expanding CSO engagement and offer options to enhance actual CSO engagement in IDA operations. The overarching question to be addressed by the note will be—*How can the World Bank finance its commitment to citizen and stakeholder engagement in ways that ensure CSOs have the resources they need to facilitate such engagement, including for independent monitoring of IDA operations?*

## Responsibilities

The contractor shall analyze the following six issues and present an options note (15–20 pages) due no later than October 20, 2022 (the “final options note”), with a first draft (the “draft options note”) due on February 15, 2022. The client shall provide notes and feedback on the draft options note, which will be incorporated into the final options note. Ultimately, this final options note should help to address the question: *How can the World Bank finance its commitment to citizen and stakeholder engagement in ways that ensure CSOs have the resources they need to facilitate such engagement, including for independent monitoring of IDA operations?*

- 1. Citizen/CSO engagement policies at the Bank/IDA:** A quick review will determine whether there are any remaining policy impediments to engaging CSOs in IDA operations, including supporting independent CSO monitoring of implementation. While the World Bank policies apply equally to IDA operations, the IDA operations also have to comply with the provisions in IDA replenishments that take place every three years. The replenishment process affords opportunities for actions to promote actual CSO engagement that could be funded by IDA grant or quasi-grant funds. We will focus on these possibilities.
- 2. Level of actual CSO engagement in IDA operations:** The World Bank claims that there is already a significant degree of CSO engagement. This needs validation and/or challenge by data. The PTF will review the current IDA metrics for monitoring and reporting information on planned and actual CSO engagement and information currently disclosed at a corporate level. As needed, researchers will leverage the [Access to Information \(AOI\) policy](#) to ask the

<sup>2</sup> The IDA recognizes that civic engagement in its policies and lending operations enhances results and accountability. It has created a [framework for “citizen engagement,”](#) required “[stakeholder engagement](#)” in its lending operations, and enabled funding and participation of CSOs in the provision of services, [including third-party monitoring](#). The Bank/IDA has provided financial support to CSOs through the Bank’s [board-approved Global Partnership for Social Accountability](#) as well as other global funds for which it is the executing agency, such as the Global Partnership for Education (GPE), Global Environment Fund (GEF), Global Agriculture and Food Security Program (GAFSP), etc.

Bank to provide specific numbers/data supporting their claims. Our premise is that the Bank is not collecting and/or disclosing this information at a corporate level. This will be verified, and recommendations for improving monitoring and reporting on actual CSO engagement in IDA operations will be presented. This could be a low-hanging fruit as the Bank publishes information on contracts awarded to commercial firms and consultants, and the presumption in the disclosure policy favors disclosure with few exceptions.

3. **Added value of independent monitoring by CSOs:** Currently, the Bank's CSO engagement policies encourage IDA borrowers to engage CSOs for a wide range of activities, including independent third-party monitoring (see footnote 1). However, in practice, such monitoring is extremely rare as governments and the Bank seldom see the need and do not want scarce IDA funds to flow to CSOs. They point to existing systems for ensuring accountability and impact assessments under the IDA. These include an Inspection Panel, an Independent Evaluation Group, an IDA Results Measurement System, a Grievance Redress Service, and the Integrity Vice Presidency. Persuading IDA borrowers to engage CSOs for independent monitoring will require a compelling case for the added value of such monitoring. The note will analyze the issues and compile the key arguments and evidence supporting the case for involving CSOs.
4. **Funding sources and mechanisms:** Currently, CSO engagement in IDA operations, including for independent monitoring, can be funded from several sources such as IDA lending proceeds, trust funds administered by the Bank, global funds outside the Bank (such as Global Alliance for Vaccination and Immunization), parallel financing by bilateral donors/foundations, and the [Global Partnership for Social Accountability](#) (GPSA). GPSA seems to be the only fund in the Bank dedicated to funding CSOs, but it is not limited to IDA countries only. The advocacy campaign has proposed a CSO window under IDA20, but other options within and outside the IDA may be feasible. The note will present several options for financing mechanisms and sources for funding them that involve the Bank, as its involvement brings the benefits of multilateralism and will help ensure close coordination with IDA-funded operations.
5. **Preserving the independence and quality of independent monitoring:** Concerns have been expressed about how to avoid conflicts of interest and preserve independence for CSOs if the Bank and/or borrowers have key roles in managing and funding independent monitoring. These concerns are legitimate, but the Bank has found ways to address them in other areas. Concerns have also been expressed about who will select CSO monitors, how local CSO monitors will be engaged, whether they would have the requisite capacity, and how quality would be assured. The note will present options for organizational arrangements that could address these concerns.
6. **Business processes for CSO engagement:** During CSO-Bank dialogues, CSOs have repeatedly pointed to the absence of (i) efficient and cost-effective Bank operational processes for the relatively small transactions that characterize civil society engagement; (ii) explicit cost and procurement planning in project documents for CSO engagement; (iii) the Bank's willingness to push back when governments resist the inclusion of CSO interventions; and

## ANNEX 1: Terms of Reference for the Report

(iv) the natural resistance of TTLs to subject themselves to task team budgets to support the development and implementation of such project components. These concerns were also highlighted in the Bank's [IEG evaluation of citizen engagement in Bank operations](#). These constraints will hamper any independent monitoring work by CSOs and would need to be addressed. What can be done? The note will present options.







# ANNEX 2: Evidence Reviews on Civil Society Engagement and Development Effectiveness

## A. World Bank Reviews of Evidence

1. The World Bank has reviewed the literature on civil society (citizen and CSO) engagement (CSE) impact and development effectiveness and found sufficient evidence that CE has positive impact in suitable contexts:
  - a. [2012—STRENGTHENING GOVERNANCE: TACKLING CORRUPTION: THE WORLD BANK GROUP’S UPDATED STRATEGY AND IMPLEMENTATION PLAN](#). (For lessons learned, see p. 17.) “It is here that the global governance agenda has seen the most dramatic changes since 2007. The demand side is not limited to civil society and its capacity to engage with government, express its legitimate needs, and hold the state to account. It includes also the institutional arrangements that facilitate constructive engagement between the state and non-state actors, such as citizens and the private sector, as well as non-state institutions of accountability, such as parliaments and ombudsmen, information commissions, anti-corruption agencies, supreme audit agencies, the judiciary and other justice institutions as well as other third-party monitoring mechanisms.”
  - b. [2013—BOARD PAPER ON ESTABLISHING GPSA](#). (See p. 3) “Global research has shown that under appropriate conditions, beneficiaries and civil society can contribute to improved public policies and government performance, with benefits that can extend beyond targeted development outcomes to improved intrinsic and instrumental outcomes.”
  - c. [2014—MAINSTREAMING CITIZEN ENGAGEMENT](#). The board paper reviewed evidence (chapter 2 and annex II) and concluded that “there is stronger evidence that CE can lead to improved intermediate and final development outcomes in suitable contexts” (para. 18, p. 10).

## B. WBG-Independent Evaluation Group (IEG) Literature Review and Case Studies (The references in the parentheses are to the IEG report)

2. **The IEG evaluation of the citizen engagement (CE) strategy** (*Engaging Citizens for Better Development Results*) **contained a review of impact literature.** The evaluation noted, “*This evaluation’s empirical findings converge with the literature in demonstrating that if the conditions of high-quality design and implementation discussed in the previous chapter are met and activities are well-embedded in the local context, then impact on development outcomes is more likely. Citizen engagement contributes by triggering three types of change at the level of behaviors and relationships, operations, and institutions (see table 4.1). Establishing a causal link between citizen engagement activities and development outcomes—such as improved learning, health, or shared prosperity—is fraught with methodological challenges, given the heterogeneity of both the intervention and the outcome space (Joshi 2013; Ringold et al. 2013). However, the evidence on proximate and intermediary outcomes is more robust (Devarajan, Khemani, and Walton 2013; World Bank 2017c; DPMG 2017)*” (p. 42).
3. **The 2018 IEG evaluation contains many examples of impact.** The evaluation gathered evidence on how civil society engagement contributed to the achievement of development outcomes in a sample of 11 countries (DR, Philippines, Mali, Kyrgyz, Morocco, Pakistan, Cambodia, WBG, VN, Ethiopia, and Laos) and 17 projects. Specifically, the evaluation found strong evidence of progress that citizen engagement, among other things, (a) improved collaborative resolution of issues in 7 of 11 countries; (b) led to greater community ownership of the project in 8 of 11 countries; (c) resulted in better project management and efficiencies in 8 of 11 countries; (d) improved the quality and quantity of services in 5 of 11 countries; and (e) strengthened accountability (e.g., on budgets) in 6 of 11 countries (p. 44).
4. **The IEG evaluation concluded** that “*Engaging citizens in development operations can have a tangible impact on the quality of services and on development outcomes. Evidence from this evaluation’s case studies agrees with the literature that if the conditions of high-quality design and implementation are met, and activities are well-embedded in the local context, impact on development outcomes is more likely (and vice versa)*” (see p. xiv, 42, 66, and box A.3).
5. **The IEG evaluation findings were also corroborated by World Bank staff views.** An overwhelming majority of staff (87%) surveyed by IEG agreed or strongly agreed that “there is strong evidence that engaging citizens can contribute to achieving development outcomes” (figure F.1, p. 145). Further, in staff opinion (figure F.7, p. 149), citizen engagement improves the Bank’s overall effectiveness by (a) making projects more responsive to beneficiaries (87%): 48% said “to a large extent,” and 41% said “to some extent”; (b) enhancing government transparency and accountability to citizens (82%): 31% said “to a large extent,” and 51% said “to some extent”; (c) by mitigating risk (81%): 26% said “to a large extent,” and 55% said “to some extent”; and (d) building the capacity of citizens, CSOs, and government to engage (75%): 28% said “to a large extent,” and 47% said “to some extent.”

## C. GPSA Review of Outcomes in Projects Supported by It

6. A review of the early interventions of the GPSA of 52 projects in 34 countries was completed in early 2021 (*GPSA in Review: Collaborative Social Accountability for Development 2017–2020*, March 2021) and found that civil society engagement with authorities resulted in greater inclusion, access, and quality of services and contributed input into the design of better budget processes, policies, and programs. In Indonesia (*Citizen Voice and Action for Government Accountability and Improved Services: Maternal, Newborn, Infant, and Child Health Services*), collaborative social accountability processes expanded the reach of the health system to ensure access to previously excluded citizens and improved the delivery of quality services at the local level. The review found an increased capacity for collaboration, and cooperative actions helped to strengthen the health system. In Tajikistan (*Improving Social Accountability in the Water Sector through the Development of Quality Standards and Citizen Participation in Monitoring*), the positive experience in social accountability gained through the GPSA grant project allowed authorities to expand the CE model for water supply and sanitation services in other parts of the country. In Ghana (*Making the Budget Work*), citizens' engagement in public financial management with health system actors in the budget process became an input to the government's 2019 health budget.

GPSA supported partners' COVID-19 pandemic response to “mitigate the spread and effects of COVID-19, and to ensure the quality of interventions and contribute to transparency and accountability of funds.” Sierra Leone's Institute for Governance Reform (IGR) is promoting awareness and behavior change and preventing the spread of COVID-19 misinformation across the country. In Tajikistan, local communities and civil society organizations lead third-party monitoring to independent verification, a WB-funded COVID-19 operation to improve performance and accountability. In Ghana and Paraguay, CSOs monitor the government's use of COVID-19 funds and distribution of pandemic-related programs to provide real-time feedback.

## D. The PTF's Review of Evidence on Social Accountability and Civil Society Engagement (CSE)

7. The **PTF reviewed** evidence documented in over 30 studies and meta-studies (list attached at the end of this annex). The PTF review found that projects that engaged civil society produced (measurably) positive results when the context was supportive (chapter 3). CSE most notably:
- a. increased citizen awareness, knowledge, and understanding of their rights, responsibilities, and public procedures;
  - b. facilitated collective action and constructive engagement with authorities;
  - c. increased access and broadened inclusion and community participation in basic services;
  - d. improved the quality of services and reduced waste and corruption;

- e. increased government responsiveness to community needs and enhanced accountability and trust of the state; and
- f. improved implementation and grievance redress.

The review also corroborated findings elsewhere that context (characterized by access to information, the willingness of authorities and CSOs to engage, technical and financial capacity of CSOs, and citizen willingness to participate in development processes . . .) and continuous, sustained engagement and financial support of CSO capacity leads to better outcomes.

**8. Some examples of the positive impact of CE cited in the [PTF review](#) (chapter 3) include the following:**

- a. Björkman and Svensson (2009) documented a 33% reduction in child mortality as well as other positive impacts on service utilization and health outcomes due to community participation and monitoring of public health providers (p. 15).
  - b. In a 2016 review of 50 projects, UK Foreign and Commonwealth Development (formerly Department for International Development) also found that the social accountability of CE “almost always led to better services with services becoming more accessible and staff attendance improving” (Holland 2016).
  - c. Aslam and Schjødt (2018) similarly found that social accountability interventions, including dissemination of information, scorecards, and community monitoring, led to improved outcomes in health, education, and other sectors (p. 14).
  - d. Given the weight of public sector procurement in developing country expenditures, the PTF supported CSOs in five countries (India, Indonesia, Latvia, Pakistan, and Peru) to support the implementation of integrity pacts. In Pakistan, such a project supported by a PTF grant resulted in \$17 million in cost savings in a large water and sewerage project (p. 17).
  - e. Other reviews, such as Joshi (2013), however, found more mixed results, undoubtedly reflecting particular local contexts and design and implementation conditions.
- 9. Challenges in civil society engagement.** The overall challenge noted in the literature is regarding institutionalization and scaling up social accountability from the local level. To go to scale with CSE would require common approaches, standards, and metrics, as well as longer-term financing and support to build up CSO capacities (DfID 2016; Ayliffe, Aslam & Schjødt 2017; Grandvionnet 2015—in PTF 2019, 18–19). Equally, a next stage of CSE would need to better define desired outcomes and ensure stronger M&E with actionable learning and feedback loops.
- 10. The evidence reviews cited above point to the efficacy of third-party monitoring and civil society (citizen and CSO) led social accountability initiatives.** Much of this evidence profiles case studies of strengthening accountability in specific projects. Individually, each could be regarded as simply an anecdote, but collectively, they comprise a powerful narrative: conventional (state and World Bank) accountability and integrity mechanisms are crucial but have limited reach, especially regarding the delivery of services and other benefits in



decentralized programs. Citizen initiatives can strongly complement these mechanisms, particularly in protecting poor and vulnerable people from corruption losses.

## E. Illustrations of the High Rates of Return from Investing in Civil Society–Led Accountability

11. **There is a wide range of tools that have proved effective in civil society–led efforts to enhance accountability and combat corruption**, including third-party monitoring of procurement processes, social audits, citizen report cards, user satisfaction surveys, public expenditure tracking surveys, third-party monitoring of basic services (such as checking drugs in health centers for the correct supply or fake or out-of-date drugs), and working with independent monitoring entities such as information commissions, ombudsmen, or supreme audit institutions.
12. **Some case studies permit a cost-benefit ratio to be estimated.** To illustrate, using grants usually less than \$100,000, CSOs have achieved the following:
  - a. **Latvia:** By monitoring procurement contracts in the building of the National Library, DELNA (a national NGO) secured savings of €9 million in just two specific contracts (the library’s director estimates the savings to be much greater) by using a €72,000 grant.
  - b. **Azerbaijan:** A small grant for CSO monitoring revealed that \$17 million from the Azerbaijan Oil Fund had gone “missing” in the construction of its new office and exposed a \$10.4 million discrepancy in expenditures in a railway construction project.
  - c. **Cameroon:** By collaborating with the University of Buea, budget tracking by the NGO IFI reduced corruption and financial mismanagement losses at the university from 30% to less than 10% of its recurrent budget through greater transparency and more disciplined procurement.
  - d. **Uganda:** CSOs worked with the Inspectorate General of Government and the Anti-Corruption Court to identify and seek redress in corruption within public service and other government programs, including a \$17 million loss due to fraud and overpricing in the supply of malaria and AIDS drugs.
  - e. **Philippines:** A \$100,000 grant enabled the NGO Government Watch, working with the Boy and Girl Scouts and Coca-Cola, to track the printing and supply of textbooks to schools, arresting many examples of malpractice, leading to a 55% saving impressive in the government’s budget, amounting to \$3.6 million a year, and much more timely delivery of the textbooks to students. A \$33,500 grant enabled NAMFREL to monitor the procurement of drugs and other items by hospitals, leading to savings of \$740,000.
  - f. **Karnataka, India:** Several small grants to different CSOs totaling \$219,000 over a three-year period addressed losses in two safety-net programs for the poor (the provision of basic food rations and an emergency employment scheme in rural areas), secured benefits worth \$2.4 million per year to poor people, and have greatly reduced losses (estimated at 30–50% overall) in these schemes, resulting in a substantial improvement in the living condition of some 270,000 people.

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# ANNEX 3: Stocktaking of Citizen, Stakeholder, and CSO Engagement in Investment Financing Projects Funded by the World Bank

## A. Citizen (CE), Stakeholder (SE), and CSO Engagement Policies in the World Bank Group

- 1. Four decades of engagement.** The Bank started its engagement with CSOs in 1981 when the World Bank board approved an operational policy note on relations with CSOs. As part of the 1997 Strategic Compact,<sup>1</sup> it set out to steadily increase its frontline staffing to involve civil society in its policies and programs and has come to regard multistakeholder approaches as an essential aspect of good development. In 2012, the Bank’s update recognized the importance of CSOs’ role in strengthening the demand-side aspects of accountability.<sup>2</sup> It notes that continuous, constructive engagement of civil society with governments to “express its legitimate needs and hold the state to account” (p. 17) contributes to better development outcomes. It committed the WB to “support processes that strengthen citizenship and enable citizen participation in policy decision-making and budgeting, as well as institutions and mechanisms that strengthen oversight and monitoring of the executive’s actions” (p. 8). In 2012, the [Global Partnership for Social Accountability](#) (GPSA) was launched to help build CSO capacity for such roles and affirmed that “social accountability—enables beneficiaries and civil society groups to engage with policymakers and service providers to bring about greater accountability and responsiveness to beneficiary needs.”<sup>3</sup>
- 2. Current engagement policies.** Building on these initiatives, as well as in recognition of the generally positive evidence (annex 1) of civil society (citizens, civil society organizations, and other stakeholders) engagement improving development effectiveness, the World Bank adopted a [Strategic Framework for Mainstreaming Citizen Engagement \(CE\) in World Bank Group Operations](#) in 2014. The Bank made a strong corporate commitment to

1 International Bank for Reconstruction and Development et al., [Assessment of the Strategic Compact](#), para. 3.38.

2 The World Bank’s 2012 update undertook to “support initiatives that enable greater openness in governments and closer interaction among citizens, the private sector and the state.” World Bank, [Strengthening Governance](#), box 1, para. 75–78.

3 [2013- Board paper on establishing GPSA](#) (p. iii).



“incorporating CE in 100 percent of projects that have clearly identified beneficiaries”<sup>4</sup> and committed to gathering beneficiary feedback in all lending operations and including reporting progress in the Corporate Scorecard (Tier 3) Indicators. In 2018, the [Economic and Social Framework](#) approved by the Bank’s board mandated that [stakeholder engagement plans](#) (SEP) be included in all investment projects approved by it.<sup>5</sup> Currently, the Bank does not have any policy statement in its [Operations Manual](#) dedicated to collaboration with CSOs. This contrasts with the Asian Development Bank and the Inter-American Development Bank, both of which have explicit policies for collaboration with CSOs.<sup>6</sup>

## B. Current Levels of CE, SE, and CSE: Knowns and Unknowns

- 3. Methodology and sources for stocktaking.** Based upon a desk review of publicly available information as listed below, a stocktaking of knowns and unknowns (information gaps) about CE/CSE/SE in World Bank–funded (including IDA/IBRD) operations was carried out (see annex 1 for details). Other relevant studies at the regional and/or country level may exist but have not been published. A search of the Bank’s [Open Knowledge Depository](#) did not reveal any recent reports on the implementation of CE.

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4 World Bank, *Strategic Framework*

5 World Bank, *Environmental and Social Framework*

6 Asian Development Bank, “Promotion of Engagement with Civil Society Organizations”; Asian Development Bank, A Sourcebook for Engaging with Civil Society Organizations; and IADB <https://www.iadb.org/en/how-we-can-work-together/civil-society>.

**Box 1: Citizen and Stakeholder Engagement Mechanisms in Investment Project Financing (IPF) by the World Bank**

1. Meaningful consultations with stakeholders to receive inputs and respond to them during all stages of the project cycle. (Mandatory under ESS10)
2. Grievance redress mechanism (GRM) to receive and facilitate the resolution of project-affected parties' concerns and grievances related to the environmental and social performance of the project. (Mandatory under ESS10)
3. Beneficiary feedback collection on various dimensions of projects, such as effectiveness, quality, delivery time, transaction costs, targeting, resource utilization, and engagement processes. (Required by the IDA when beneficiaries can be identified)
4. Collaboration with citizens in decision-making processes and events to make the project more responsive to community needs and increase ownership by citizens. (Optional as agreed upon by the IDA recipient)
5. Citizen-led monitoring of service delivery, revenues, budget execution, procurement, contract awards, and budget execution to improve efficiency and reduce opportunities for corruption. (Optional)
6. Empowering citizens/communities with resources and decision-making powers on investments that meet their needs (e.g., CDD). (Optional)
7. Capacity building for CSOs, governments, communities, and national accountability institutions to engage and participate. (Optional)

Information Disclosure is mandatory under the Bank's [ESF ESS10](#) and [Access to Information Policy](#). It is considered an essential but not sufficient condition for effective CE. According to CE strategy, it is not a CE mechanism.

- a. A [2018 independent evaluation](#)<sup>7</sup> of the effectiveness of the [Strategic Framework for Mainstreaming Citizen Engagement in the World Bank Group Operations](#) (CE strategy)
- b. [Monitoring World Bank Citizen Engagement](#) research by the Accountability Research Center of the American University<sup>8</sup> (referred to hereafter as the ARC report)
- c. [Using Evaluative Evidence to Deliver Development Outcomes: A World Bank Group Management Report on Implementation of IEG Recommendations FY17-21](#), September 2021

7 Independent Evaluation Group, [Engaging Citizens](#).

8 Since 2017, the ARC has combined research and facilitated dialogue and capacity building to support civil society stakeholders in the global south to hold their governments and the World Bank accountable for citizen engagement. For details, see: "[Monitoring Civic Engagement in Development Aid](#)" (Washington, DC: Accountability Research Center, 2021).

**ANNEX 3: Stocktaking of Citizen, Stakeholder, and CSO Engagement in Investment Financing Projects Funded by the World Bank**

- d. Draft 2021 Citizen Engagement Annual Report by the Citizen Engagement and Social Accountability Global Solutions Group of the World Bank (not yet published)

**4. Key findings of the stocktaking are presented in table 1 below.**

**Table 1: Stocktaking of Citizen (CE), Stakeholder (SE), and CSO (CSE) Engagement in Investment Project Financing**

Knowns	Unknowns (Information Gaps)
<p><b>1. Stakeholder Engagement and Information Disclosure.</b> Mandated by <a href="#">ESF-ESS10</a> and <a href="#">AOI</a> Policies. IPF borrowers are required to prepare a Stakeholder Engagement Plan (SEP) and to maintain and disclose a record of consultation, feedback received, and how it was taken into account (para. 9, ESS10).</p>	
<p>The SEP describes plans for information disclosure, consultations, and grievance redress. According to the <a href="#">Implementation Update on ESF</a> (para. 11, annex 1), as of June 30, 2020, SEPs have been embedded in 540 projects involving \$63.4B of IBRD/IDA lending since the launch of ESF in 2018. Borrower staff are responsible for implementing SEPs but can supplement their capacity with external expertise, including CSOs.</p>	<p>* What % of IPFs have identifiable budget allocations and/or procurement plans for activities described in their SEPs?</p> <p>*Whether, where, and how much CSE in implementation of SEPs is planned at implementation, and how much of planned CSE is actually contracted?</p> <p>* Arrangements for tracking and reporting of SEP implementation, good practices, lessons, and guidance notes.</p>
<p>An M&amp;E approach for ESF is yet to be developed and will include indicators. It will build on the Environment and Social Management System (ESMS). Progress reporting will be done annually, and a five-year review of ESF is planned for 2024 (para. 54 of the update).</p>	



**2. Status of CE in IPFs (Findings from IEG and ARC studies and Draft 2021 Annual Progress Report)**

Mainstreaming of CE in IPFs was achieved by FY18 due to strong corporate commitment and monitoring. Progress is measured by three process indicators tracked by the Global Lead for CE (reporting to the director in SSI global practice):

- (i) % of IPFs having a “citizen-centric design” defined as having at least one CE mechanism among the project activities at project approval (actual= 99% or 100% from FY18 to FY21)
- (ii) % of IPF, at approval, that had “at least one beneficiary feedback indicator in their results framework” (actual= 95% in FY16 and 98% in FY21)
- (iii) % of IPFs that report in Implementation Support and Results Report (ISR) on a beneficiary indicator (BFI) during the first three years of implementation (actual= 69% of IPFs approved in FY18 reported on BFI in FY21 ISRs)

Only the second indicator is included in the Corporate Scorecard and IDA Results Measurement System.

The Bank is “not sufficiently monitoring key elements identified in the [CE] as essential to ensure successful integration of CE in projects.” “Little investment has been made in generating robust evidence of what works, where, and why” (IEG, xvi). The WBG knew “very little about the implementation of CE engagement mechanisms, let alone about the results” (IEG, 19).

The CE team carries out annual reviews to assess the % of ISRs that report on beneficiary feedback indicators during the first three years of implementation but not for any other aspect of CE implementation. Its review of FY21 ISRs found compliance rates of 69% for the FY18 portfolio, 74% for the FY17 portfolio, and 92% for the FY16 portfolio.

\*Extent and quality of implementation of all the CE mechanisms planned in IPF + PforR approved during FY16-21.

\* Data on % of project cost allocated to CE? How, and how much, implementation of CE and/or TPM in IPFs is being financed? Adequacy of funding?

\*No analysis is available of the reporting on actual CE engagement in Implementation Completion and Results Reports (ICRs) and Implementation Summary of Results (ISRs). Such a review would be useful for preparing the proposed guidance note on CE in ICRs.



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According to the 2020 CE Annual Report, the types of mechanisms are distributed as follows. The top three are mandatory and present in almost every IPF.

		FY15	FY21
1	Consultations	34%	24%
2	Grievance redress	33%	29%
3	Beneficiary feedback (surveys)	11%	17%
4	Capacity building/ others/info	6%	13%
5	Collaboration	6%	2%
6	Citizen M&E and oversight (TPM)	5%	4%
7	Empowerment/ participatory planning	5%	10%

Note: Some of the FY15 and FY21 data may not be comparable. FY21 data includes FGD, info sharing, and membership in decision-making bodies that are not in the typology used in the CE framework and not used in FY15 data. The pie charts also show % share of each type of CE among all CE chosen (100% of projects). The IEG used a different approach with the projects as units for calculating what % of projects chose a particular type of CE mechanism. It found that 86% of 141 FY14-16 IPFs chose consultations; 67% grievance redress; 37% beneficiary feedback; 23% capacity building; 20% collaboration; 20% citizen M&E and oversight (TPM); and 9% citizen empowerment (figure 2.1, p. 14, IEG report).

Thick CE has steadily increased, and over 70% of IPFs used three or more mechanisms and 43% used five CE mechanisms or more (figure 3-1, draft 2021 CE report). This is good news but needs to be put in context of the fact that SE mandates two CE mechanisms in each IPF (see figure 1).

The FY21 Annual Report draws a valid conclusion that the diversity of CE mechanisms and the use of “thick” CE has increased. On the other hand, visualizing data using IEG methodology will tell us whether the use of nonmandatory CE mechanisms has increased or decreased at project level.

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<p>“Citizen monitoring, evaluation and oversight” is rarely included at design and even more rarely implemented. It was planned in 50 out of 256 projects covered by the IPF portfolio review (IEG, box B.5, p. 89). However, implementation happened in only one out of three completed projects (IEG, box B.8, p. 92).</p>	<p>*What are the reasons for the relatively low selection of citizen-led monitoring and/or TPM among CE activities chosen in IPFs?</p>
<p>Financing planned CE and SE activities in the IDA is to come from IDA credit/grant proceeds. Procurement for CE/SE activities is governed by the <a href="#">Procurement Regulations for IPFs</a>. CSOs are eligible to participate along with commercial entities. Occasionally external funding from trust funds may be arranged in parallel.</p>	
<p>The main constraints to the implementation of the CE agenda, according to Bank staff, are (i) internal-limited budget, time, expertise, and evidence that CE works; and (ii) external reluctance of client governments for CE and for funding it, worry about adding to project complexity, and limited CSO/government capacity (IEG, para. 2.35, figure 2.4).</p>	<p>* It is not known whether the main constraints to CE implementation, identified by the staff survey by the IEG, have been alleviated or aggravated in the five years since the survey. Anecdotal evidence and conversations with some of the frontline staff suggest that they have been aggravated due to the emergence and priority of SEPs, lack of implementation monitoring and evaluation, limited government and CSO/citizen capacity, and pandemic-related disruptions.</p>
<p>The ARC report examined CE in 57 projects in Mozambique, Myanmar, Nigeria, and Pakistan approved during FY15-17 to assess which projects went beyond minimalist approaches and demonstrated both depth and specificity in their CE commitments. It found that most projects planned on using multiple CE mechanisms throughout the project life cycle, but few explained how the CE commitments were to be implemented. Projects rarely included specifically dedicated funding for CE.</p>	



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<p>WBG management, in response to the 2018 IEG evaluation, committed to deepening CE depending on context; ensuring that indicators are more results oriented and reflect how the feedback loop was closed and how diverse stakeholders are included; and cultivating synergies between ESF and CE agendas while recognizing their differences.</p>	<p>* An update and relaunch of the 2014 CE strategy is warranted after seven years of implementation. It should take into account changes in context: the 2018 IEG evaluation, adoption of the Environment and Social Framework, and IDA20 commitments for CE. This update would provide a basis for expanded citizen/CSO engagement in service delivery and strengthened feedback loops, as well as strengthened roles for CSOs and citizens in monitoring and oversight of the implementation of IDA20-funded operations. Such a review would include consideration of how engagement can be adequately financed.</p>
<p>In September 2021, WBG management reported the following (as part of a broader report) to the board regarding CE: “In response to IEG’s recommendations, the Bank and IFC have taken steps to build more impactful and efficient approaches to engaging with citizens and clients, including through enhanced diagnostics, training, systems, and digital platforms.” The following are noteworthy:</p> <ol style="list-style-type: none"> <li>1. Three knowledge products highlighted, including CE in development policy loans</li> <li>2. Multistakeholder platforms established in more than 50 countries</li> <li>3. Only 62% of projects approved in FY17 reported on beneficiary feedback indicators within three years of approval</li> <li>4. The Bank will review lessons from social accountability impact evaluations to map the most effective instruments for impact evaluation and apply them to Bank operations as appropriate</li> <li>5. There is no mention of any review of the actual implementation of CE, even though nearly seven years have passed since the CE strategy adoption</li> </ol>	



### ANNEX 3: Stocktaking of Citizen, Stakeholder, and CSO Engagement in Investment Financing Projects Funded by the World Bank

#### 3. CSO Engagement in the Design, Implementation, and Monitoring of CE and SE

The Bank is a pioneer in engaging with CSOs in its own work as well as enabling CSE in its lending operations. The CE and SE framework provide entry points for CSOs as they can represent “citizens”<sup>9</sup> and participate in their own right as “stakeholders”<sup>10</sup> along with other groups. However, the Bank’s [Operations Manual](#) does not contain any policy and/or procedures for collaboration with CSOs, and the Bank stopped producing [annual reports on CSO collaboration](#) in 2012. The Annual CSO Policy Forums are a dialogue rather than an operational collaboration platform. A review of documents on the Bank’s [website for CSOs](#) lists the 2009 [Guidance Note on Bank Multistakeholder Engagement](#).

The Asian Development Bank (ADB) has a 2021 policy on [“Promotion of Engagement with Civil Society Organizations”](#) ([ADB Operations Manual](#)), has recently issued a staff guidance note, and has published in 2021 a [Sourcebook for Engaging with CSOs in ADB Operations](#). The Inter-American Development Bank has updated its [Civil Society Engagement Strategy and Action Plan](#). It is currently [consulting on progress](#) under the 2019–2021 Action Plan and a proposed 2022–2024 Action Plan.

9 [The CE framework, introduced in 2014](#) (para. 11, p. 7), defines citizens as “the ultimate client of government, development institutions’ and private sector interventions in a country. Citizens can act as individuals or organize themselves in associations and groups such as community-based groups, women’s groups, or indigenous peoples’ groups. Civil society organizations (CSOs) can represent citizens and can include organizations outside the public or for-profit sector, such as nongovernmental organizations (NGOs), charitable organizations, faith-based organizations, foundations, academia, associations, policy development and research institutes, trade unions, and social movements. In this context, the term citizen is not used in a legal sense but is understood in the broad sense of referring to all people in a society or country in an inclusive and nondiscriminatory way.”

10 “Stakeholder” refers to individuals or groups who (a) are affected or likely to be affected by the project (project-affected people) and (b) may have an interest in the projects (other interested parties). CSOs/NGOs could be among stakeholders in either or both categories. [Guidance Note for Borrowers: Environmental & Social Framework for IPF Operations: ESS10: Stakeholder Engagement and Information Disclosure](#) (World Bank Group, 2018), 2, 6.



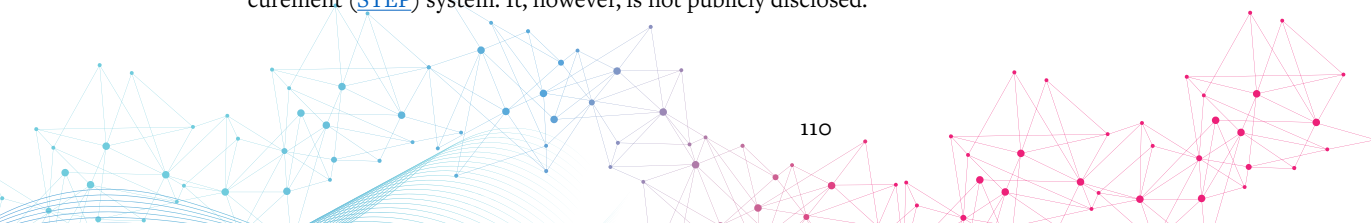
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<p>Contracting with CSOs is not required but practiced by IPF implementing agencies as well as by the Bank and trust fund executing agencies. IDA implementing agencies reported that about 1% of the total amount of contracts (\$811 million) and 2% of the total number of contracts (over 2,700) during FY16-21 went to CSOs.<sup>11</sup> This is consistent with the findings of the <a href="#">2012 report by the Bank’s civil society team</a>, who found that 27 Bank mechanisms provided \$842 million in funding to CSOs during FY08-10. This information was gathered by a review of appraisal and procurement documents under more than 1,000 projects (as reported in the <a href="#">board paper for establishing GPSA</a>, p. 2).</p>	<p>* CSE in operations funded by the IDA/Bank is <a href="#">encouraged</a>, but no analysis of the extent of CSE in IDA operations in the past 10 years is available from the Bank.</p> <p>* It would be very useful for understanding and promoting CSE if the data on awards to CSOs (furnished by implementing agencies as part of STEP) is identifiable and aggregable in the contract awards database. Disclosure of contracts awarded to CSOs would enable interested parties in and outside the Bank to do deep dives in the data on country, sector, regional, and institutional levels and CSO and activity types.</p>
<p>The World Bank maintains several procurement databases that enter a lot of data on each contract award and enable sorting of data by filters such as sector, supplier name, contract amounts, project name, contract description, etc. However, these databases do not include a filter on the type of supplier (i.e., commercial or not-for-profit). Examples of databases and filters available in them include <a href="#">major contract awards</a>, <a href="#">corporate procurement contract awards</a>, <a href="#">procurement notices</a>, and <a href="#">procurement announcements</a>.</p>	

## C. Conclusions and Areas for Action

5. IDA/IBRD [citizen engagement](#) (CE) and [stakeholder engagement](#) (SE) policies and related IDA commitments are commendable. They aim to enhance development effectiveness and have succeeded in embedding in the design of almost all investment projects approved in recent years. Notable achievements include:
  - a. 100% of projects approved in recent years are “citizen centric” (defined as having one or more CE mechanisms shown in box 1); 70% of investment projects approved in FY21 had three or more
  - b. 50 IDA countries set up enhanced GRM and/or beneficiary feedback systems
  - c. 38% of IDA-eligible countries (74) had multistakeholder engagement platforms (FY21)

<sup>11</sup> This data is preliminary and is not publicly disclosed. It was made available to the PTF in response to a request. Our understanding is that implementing agencies report this data to the Bank’s Systematic Tracking of Exchanges in Procurement (STEP) system. It, however, is not publicly disclosed.



- d. 26 countries supported by the IDA to operationalize Open Government Partnership (OGP) reforms
  - e. The 2018 IEG evaluation confirms that CE enhances development effectiveness
  - f. The IDA and World Bank have reaffirmed their commitment to continue citizen engagement in addition to stakeholder engagement
6. **It is timely to commission a comprehensive review of CE/SE/CSE implementation to assess past performance and identify good practices and lessons going forward.** The Bank has not published any comprehensive report on how CE activities in citizen-centric projects have been implemented during the past five to seven years.<sup>12</sup> This issue was previously flagged in the [2018 IEG evaluation](#), which observed that WBG knew “*very little about the implementation of CE engagement mechanisms, let alone about the results*” (p. 19). With the availability of hundreds of Implementation Completion and Results Reports (ICRs) for IPFs with citizen-centric design, together with thousands of Implementation Status and Results Reports (ISRs), the Bank can utilize a unique and extensive database for analyzing CE implementation progress and outcomes and lessons learned, which will not only benefit future IDA projects but have broader applicability for the global development community as well. The [IDA19 Implementation Status report](#) (para. 37–39) contains no performance indicators and/or discussion of the implementation progress on IDA19 commitments to help citizens hold the state accountable and scope and quality multistakeholder platforms engagement in decision-making and implementation of public policies.
7. **Corporate monitoring and reporting of CE/SE needs to broaden beyond project design to cover implementation and outcomes.** The current monitoring indicators (para. 2) mainly focus on CE in project design. The [2018 IEG evaluation](#) also noted that “*little investment has been made in generating robust evidence of what works, where, and why.*” Additional indicators are needed to provide insights on the extent, quality, and modalities (including financing) of the actual implementation of CE/SE, implementation modalities (including funding), and outcomes. A monitoring and evaluation approach for ESF/SEPs is yet to be developed ([Implementation Update on ESF](#) para. 11, annex 1).
8. **Distinctions and overlaps between CE and SE agendas need to be clarified and communicated more effectively to staff and clients.** A clarification matters as the two agendas overlap (box 1) and compete for staff and client attention, and over time, the optional CE work encompassing the whole project may be crowded out by the mandatory SE work narrowly focused on environmental and social risks. The 2018 IEG evaluation recommended that the Bank “*improve synergies [of CE] with other relevant agendas*” such as social inclusion, social sustainability, gender, SE under the ESF, digital civic space, virtual

<sup>12</sup> It is possible that there are implementation progress reports at country and/or regional levels, but a search of the Bank’s [Open Knowledge Depository](#) did not reveal any institution-wide reports on the implementation of citizen engagement. Similarly, there are no recent IDA reports on the subject; the [IDA19 Implementation Status report](#) (para. 37–39) contains no performance indicators and/or discussion of implementation progress on IDA19 commitments to help citizens hold the state accountable and scope and quality multistakeholder platforms engagement in decision-making and implementation of public policies.

means for service delivery (particularly for human development), crisis preparedness, and fragile and violent situations.

**9. The operational framework for CSO engagement needs clarification and relaunch.**

CSO engagement (CSE) for effective CE/SE during the IDA/IBRD project life cycle does not get explicit attention. The Bank started encouraging [CSE in operations](#) almost three decades ago but has lost focus in recent years. The 1997 [Strategic Compact](#) strengthened the NGO/Civil Society Unit, and the number of Bank operations involving local CSOs increased from 50% in FY97 to 70% in FY00. The CSE in projects continued to expand and reached 82% during FY10-12, according to the World Bank Civil Society Engagement Report.

However, at present, there is no policy or guidance available for staff in the Operations Manual. The scope and volume of recent CSE are also difficult to ascertain since information on contract awards to CSOs is not disclosed in the [contract awards database](#) published by the Bank and since the Bank stopped producing [annual reports on collaboration with CSOs](#) after 2012.

However, information made available by the Bank in response to an Access to Information request by the PTF suggests that the level of current CSE is low and may have declined from past levels. According to the Bank, during FY16-21, about 1% of the total amount of contracts (\$811 million) and 2% of the total number of contracts (over 2,700) were awarded to CSOs.<sup>13</sup> This level would be lower in both nominal and real terms from a 2012 Bank estimate of \$842 million during FY8-10.<sup>14</sup> Currently, the Bank (unlike ADB and IADB) has no policy/staff guidance for collaboration with CSOs in its Operations Manual. The focus of CSE now seems to have been narrowed to public relations with CSOs as part of country and corporate relations.

**10. The Bank's internal organizational arrangements, resources, and incentives for more effective CE/SE implementation, monitoring, and reporting need improvement.**

According to the staff survey done as part of the IEG evaluation, an overwhelming majority (87%) agreed or strongly agreed that “*there is strong evidence that engaging citizens can contribute to achieving development outcomes*” (figure F.1, p. 145) and it makes “*projects more responsive to beneficiaries.*” This augurs well for CE/SE/CSE agendas, provided constraints faced by staff are addressed. The main constraints, according to the IEG survey of Bank staff, are (i) internal-limited budget, time, expertise, and evidence that CE works; and (ii) external reluctance of client governments for CE and for funding it, worry about adding to project complexity, and limited CSO/government capacity (para. 2.35, figure 2.4).

SE work is mandatory while CE is optional. SE has received a special allocation of resources under ESF while CE does not. Different vice presidencies (and secretariats)

<sup>13</sup> This information is extracted from the Bank's Systematic Tracking of Exchanges in Procurement ([STEP](#)) system.

<sup>14</sup> World Bank, “[Civil Society](#)”; World Bank, [Global Partnership for Social Accountability](#), 2. The report found that 27 Bank mechanisms provided \$842 million in funding to CSOs during FY08-10. This information was gathered by a review of appraisal and procurement documents under more than 1,000 projects.

have responsibility for SE and CE implementation and monitoring. The CE secretariat is managed by a staff on a part-time basis. IDA commitments for CE are part of the governance cross-cutting theme, but CE is no longer the responsibility of the Global Governance Practice.

11. **An update and relaunch of the 2014 citizen engagement strategic framework is needed.** The upgrade would integrate lessons from seven years of implementation, address the issues of synergy with the stakeholder engagement standard of ESF, and include specific actions to support the IDA20 commitment to “*strengthening platforms for greater social accountability and citizen engagement.*”
12. **Commission a comprehensive review of the implementation of citizen-centric projects and IDA commitments.** Suggested issues and questions for the review are as follows:
  - a. **Implementation rate and quality.** To what extent are the CE/SE mechanisms planned in IPF and PforR—approved during FY16–22 (seven years of CE and four years of SE)—being implemented, and what is the quality of implementation? Implementation rates for different CE/SE mechanisms and associated lessons?
  - b. **Cost and financing.** To what extent are costs of CE/SE activities explicitly included in project cost estimates at project approval? How is the implementation of CE/SE in IPFs being financed? Under what budget category (e.g., M&E)? What proportion of project costs are being spent on CE/SE?
  - c. **Organizational arrangements for the implementation of CE/SE activities.** To what extent are these arrangements made explicit at project approval? What types of arrangements are used for the implementation of different CE mechanisms? To what extent is the use of CSOs envisaged at approval and/or contracted by project authorities during implementation? What are the constraints and good practices in using different implementation modalities (implementing agencies, consultants, and CSOs) to facilitate CE/SE? What amount and number of contracts are awarded to CSOs for CE/SE during design and/or implementation?
  - d. **Progress tracking and reporting.** What is the extent and quality of monitoring, evaluation, and learning (MEL) of CE/SE implementation by project implementing authorities and Bank task teams? What can be done to improve CE/SE-related MEL (including outcomes) at regional, sectoral, and country levels?
  - e. **CE/SE in the IDA portfolio.** How are the citizen and CSO engagement commitments under IDA18–19 implemented, and what are the outcomes and lessons learned? IDA19 committed to (a) establishing and using multistakeholder platforms for citizen participation and (b) ensuring that “*citizen engagement in IDA operations is broadened and deepened with concrete steps, including building capacity, strengthening monitoring and reporting, and regular outreach*” (IDA19 report, para. 118–119).

- f. *Thicker CE and synergy between CE and SE.* What are the experiences and good practices in progress on these goals? To what extent are CE/SE agendas competing for resources and attention at both project and Bank task team levels?
  - g. *Completion reporting.* What percentage of the ICRs of citizen-centric projects present at least some evidence on implementation, analyze the scope and challenges of implementation, and discuss the outcome/results of CE? What is the extent of ICR reporting on implementation and CE indicators in results frameworks by type of CE mechanisms? Is staff guidance for reporting on CE implementation and results in ICRs adequate?
  - h. *Documentation of good practices, lessons, and guidance notes.* Organize a stocktaking and develop actions to assess needs, organizational arrangements, and funding arrangements.
13. **Update of corporate monitoring, evaluation, and learning (MEL) system for CE/SE/CSE.**
- a. Update and disclose the metrics and schedule for reporting on implementation progress and outcomes of CE/SE/CSE in IDA-funded projects.
  - b. Resume production and publication of the annual report on CSO engagement in IDA (and IBRD) operations.
  - c. Enable contract award notices to disclose whether the award is to a CSO (nonprofit entity) and add a filter in the [contract awards database](#) to enable sorting of contracts awarded to CSOs.
14. **Issue a guidance note for staff on CSOs' engagement in project life cycles.** CSOs can play crucial roles as social intermediaries facilitating the interaction between individuals and communities as well as acting as “citizens” and “stakeholders” in their own capacity in projects funded by the IDA/IBRD. Starting in the 1980s, the Bank proactively promoted collaboration with CSOs in project life cycles, leading to CSE as “citizens,” “stakeholders,” and social intermediaries. However, this explicit focus was lost since CSOs were included in the definition of “citizen” and “stakeholder,” and the Bank stopped promoting, monitoring, and reporting on CSO engagement in operations. Explicit attention to promoting CSO engagement in CE/SE agendas in the life cycle of IDA/IBRD-funded projects would help more effective implementation of the IDA20 commitment for greater social accountability, citizen engagement, inclusive development, and faster delivery of funds and results in all IDA thematic areas than governments acting alone. CSE can be promoted through several actions:
- a. Issue a guidance note for the Bank's borrowers and staff on using CSOs for effective implementation of CE/SE in IDA/Bank-funded projects. The guidance can be based on the Bank's experience with operational collaboration with CSOs as well as the

- recent work by the Asian Development Bank and the Inter-American Development Bank.<sup>15</sup>
- b. Raise awareness among clients and staff about procurement provisions relating to CSOs and enable an NGO filter in the [contract awards database](#). The Bank’s [Procurement Regulations for IPFs Borrowers \(November 2020\)](#) provide that CSOs may be “uniquely qualified” to assist in specific project activities for nonconsulting (para. 6.52, p. 41) or consulting services, and in such cases, the short list may be made up entirely of CSOs (para. 7.29, p. 50) and CSOs should not normally be included in the short list with private sector firms (para. 7.18, p. 48).
  - c. Contract award notices should disclose whether the contract award is to a CSO (nonprofit entity), and a filter in the [contract awards database](#) should be added to enable sorting of contracts awarded to CSOs. These provisions would enable interested parties in and outside the Bank to do deep dives in the data on CSE at country, sector, regional, and institutional levels. This can be transformational in promoting a learning cycle to identify good practices for improving CSE in development work.
  - d. Resume production and publication of the annual report on CSO engagement in IDA (and IBRD) operations. The last such report was produced in 2012. Reasons for discontinuation are not apparent. However, the report is a valuable tool to allow an informed dialogue on progress and issues relating to the Bank’s goal of collaboration with CSOs as development partners in the full spectrum of Bank activities, including CE/SE in projects. ADB and IADB already publish such reports.
- 15. Update the 2014 citizen engagement strategic framework.** An update is needed to integrate lessons from implementation, exploit the synergy with the stakeholder engagement standard of ESF, and support the IDA20 commitment to “*strengthening platforms for greater social accountability and citizen engagement.*” Suggested issues and questions for consideration in the update are as follows:
- a. *Distinctions and overlaps between citizen (CE), stakeholder (SE), and civil society organization (CSO) engagement agendas in IDA/Bank-funded operations need to be clarified and communicated more effectively to staff and clients.* The three agendas overlap but differ.<sup>16</sup> The objective of CE in projects is to give citizens a stake in decision-making to improve development outcomes (IEG, p. ix) through various CE mechanisms. The objective of SE is to hear their views (through meaningful consultations), provide them with information on risks and impacts (disclosure), and be responsive (grievance redress) to them during the management of environmental

15 In 2021, ADB updated its policy on “[Promotion of Engagement with Civil Society Organizations](#)” ([ADB Operations Manual](#)), issued a staff guidance note, and a [Sourcebook for Engaging with CSOs in ADB Operations](#). The Inter-American Development Bank has an updated Civil Society Engagement Strategy and Action Plan. These can be accessed on IDB civil society webpage [here](#).

16 “Stakeholder engagement as addressed in the [ESF](#) is a specific aspect of the broader citizen engagement. The ESF uses two main avenues of stakeholder engagement (consultations and grievance redress), while the strategic framework (for CE) has a broader menu with seven approaches (see Box 1). The ESF obligates the borrower, while citizen engagement is developed through a dialogue with the borrower.” World Bank Management Response to Independent Evaluation Group, [Engaging Citizens](#), 21.

- and social risks affecting them (ESF-ESS10). The objectives of CSE are not spelled out in any Bank policies or procedures in the Bank's Operations Manual. However, the 2009 [Guidance Note on Bank Multistakeholder Engagement](#) provides legal and policy considerations and good practices for CSE in Bank-funded activities. Widely recognized objectives of CSE in Bank-funded operations include amplifying citizen/community voices through participation/advocacy, providing a wide variety of development services under contract to the implementing agencies and/or the Bank and other donors, and holding the state and the Bank/other donors accountable.
- b. *The update should address the IEG's recommendation that the Bank "improve synergies [of CE] with other relevant agendas."* The list of such agendas includes social inclusion, social sustainability, gender, ESF, digital civic space, virtual means for service delivery (particularly for human development), crisis preparedness, and fragile and violent situations (FCS).
  - c. *The Bank's internal organizational arrangements, resources, and incentives need to be improved for effective CE/SE implementation and MEL.* According to the staff survey done as part of the IEG evaluation, an overwhelming majority (87%) agreed or strongly agreed that "there is strong evidence that engaging citizens can contribute to achieving development outcomes" (figure F.1, p. 145) and it makes "projects more responsive to beneficiaries." This augurs well for CE/SE/CSE agendas, provided constraints faced by staff are addressed. The main constraints, according to the IEG survey of Bank staff, are (i) internal-limited budget, time, expertise, and evidence that CE works; and (ii) external reluctance of client governments for CE and for funding it, worry about adding to project complexity, and limited CSO/government capacity (para. 2.35, figure 2.4).

The current organizational arrangements add further constraints. SE work is mandatory while CE is optional. SE has priority allocation of resources under ESF while CE does not. CSE has no proactive policy, business practices, and funding mechanisms even though the Bank has engaged in it since as far back as 1981. Different vice presidencies (and secretariats) have responsibility for SE and CE implementation and monitoring, while CSE is part of the External and Corporate Relations Vice Presidency. CE secretariat is managed by a staff on a part-time basis. IDA commitments for CE are part of the governance cross-cutting theme, but CE is no longer the responsibility of the Global Governance Practice. The update should examine these issues with a view to streamline them.

- d. *The update should outline how the CE framework would support the IDA20 commitment to "strengthening platforms for greater social accountability and citizen engagement" and "mainstream gender-responsive budgeting and social inclusion into the management of public finance."*
- e. *The update should discuss how the investment in CE/SE evidence generation and capacity building can be increased.* The evidence base on outcomes of CE/SE in devel-

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opment programs was found to be sufficiently strong for the Bank to adopt these policies. It can be enriched by research on the outcomes and long-term impacts of CE in thousands of Bank-funded projects around the world. The need for and importance of capacity building of citizens (including CSOs), governments, and Bank staff was fully recognized in the CE strategic framework. However, experience during FY15-21 indicates that capacity building was one of the least selected CE mechanisms. It is also arguable whether the government is best placed to build the capacity of citizens for social accountability mechanisms. The GPSA is meant to be a dedicated partnership platform for supporting CSO capacity building, but its funding and business processes have not risen to the scale needed. The CE strategy update should examine options and mechanisms for supporting citizen/CSO capacity building for effective CE/SE.





# ANNEX 4: IDA Commitments and Achievements in Engaging Citizens and CSOs

## A. IDA Commitments over Time (2010–2022)

1. The IDA is among the pioneers that recognized the value of citizen engagement for development effectiveness early and made specific commitments in successive IDA replenishments since 2010. The World Bank [Strategic Framework for Mainstreaming Citizen Engagement](#) (CE) and the [ESF Stakeholder and Information Disclosure Standard](#) (SE) apply to the IDA and provide the policy framework (see annex 1 for details). The IDA commitments for CE/CSE are described under the Governance and Institutions section and include targets and actions for citizen and multistakeholder (including CSOs) engagement, social accountability, and open government. For ready reference, extracts are shown in table 1 below.

**Table 1: Policy Commitments Related to Citizen Engagement under IDA16 to IDA19**

The IDA Narrative in the Report of the Executive Directors to the Board of Governors	Policy Commitments, Results Indicator in RMS, and Achievement
<p><a href="#">IDA16</a> (2010–2013). To enhance accountability and ownership, the IDA will strengthen its contacts in recipient countries with parliaments and civil society organizations (p. 14). The importance of civil society organizations (CSOs) in the development process was recognized in the Accra Agenda for Action (footnote 21).</p>	<p>Not applicable as IDA16 did not have policy commitments. No CE-relevant indicator in any RMS Tier.</p>
<p><a href="#">IDA17</a> (2014–2017). The IDA will also increasingly support initiatives that enable greater openness in governments and closer interaction among citizens, the private sector, and the state (para. 29). Introduced use of beneficiary feedback in IDA-supported projects (para. 47, annex 1, table 1, p. 61). RMS Tier 3 (table 2c, p. 79).</p>	<p>Achievement: 92% at the end of FY17 compared to 38% at the beginning of the IDA17 cycle.</p>

## ANNEX 4: IDA Commitments and Achievements in Engaging Citizens and CSOs

<p><a href="#">IDA18</a> (2017–2020). A Governance and Institutions section was added as a special theme for the first time (p. 45–49). Participants welcomed the inclusion of policy commitments fostering demand-side governance, including those on citizen engagement and open government. They noted that for interventions supported by the IDA to be successful and sustained, governments must develop institutions that are capable, efficient, inclusive, and accountable to citizen needs (para. 110, p. 46). Policy commitments include integrating citizen engagement and beneficiary feedback into service delivery operations; strengthening open, transparent, and inclusive governance through Open Government Partnership (OGP) commitments (p. x); and supporting projects in at least 10 IDA countries in the development and implementation of user feedback and/or enhanced GRMs for service delivery that ensure participation by women in these processes.</p>	<p>Achievement: 50 countries have been supported with enhanced GRM and/or multiple additional beneficiary feedback interventions. Achievement: 95% of FY19 projects using beneficiary feedback (%) (p. 83).<sup>1</sup></p>
<p><a href="#">IDA19</a> (2020–2023). Governance is retained as a special theme (p. ix, 55–61). Priorities include addressing the issue of “limited mechanisms for citizens to hold their government to account” (para. 118, p. x). Citizen participation is achieved through multistakeholder platforms (SDG16.7, para. 118). Drawing on lessons from the IEG report on the implementation of IDA18 special themes, the approach in IDA19 will aim to ensure that citizen engagement in IDA operations is broadened and deepened with concrete steps, including building capacity, strengthening monitoring and reporting, and regular outreach (para. 119). Participants emphasized the importance of enhancing social accountability and citizen engagement. Open, participatory, and responsive governance is critical for governments to provide more inclusive, effective, and equitable public policies and service delivery. Openness and transparency are fundamental ingredients to ensuring information is available and accessible to the public, thus facilitating the public’s informed participation in policymaking. The IDA will help increase social accountability in IDA countries by supporting platforms that systematically involve a range of stakeholders, including women as well as vulnerable groups, in decision-making and implementation of public policies (para. 126).</p>	<p>The only policy commitment is for multistakeholder platforms. No mention of a CE/CSE-specific commitment. RMS retains the Tier 3 Indicator—Projects using beneficiary feedback (%). Achievement: Not yet available.</p>

<sup>1</sup> The measure of use of planned beneficiary feedback during implementation has been refined to take account of the three-year measurement lag needed before implementation can be tracked (p. 91). Second, a new indicator, “*projects with beneficiary feedback indicator at design*,” was introduced to track the share of new projects that include a beneficiary feedback indicator in their results framework. The indicator will demonstrate current institutional progress, tracking early progress in implementing the citizen engagement initiative and giving task teams an incentive to integrate beneficiary feedback into the design and monitoring plan for new projects (p. 75).

2. **Notable achievements for CE/CSE as of IDA19 (June 30, 2022) include:**

- a. 100% of projects approved in recent years are “citizen centric” (defined as having one or more CE mechanisms shown in box 1); 70% of investment projects approved in FY21 had three or more
- b. 50 IDA countries set up enhanced GRM and/or beneficiary feedback systems
- c. 38% of IDA-eligible countries (74) had multistakeholder engagement platforms (FY21) for policymaking and implementation
- d. 26 countries supported by the IDA to operationalize Open Government Partnership (OGP) reforms

## B. IDA20 Commitments

3. **The final [IDA20 Replenishment report](#) includes the following information and commitments related to citizen and CSO engagement:**

- a. **Para. 36. In all its engagements, the IDA acts with openness and accountability, serving its clients and partners.** The IDA publicly discloses results and operational and financial data for accountability toward its donors, clients, and citizens. The Aid Transparency Index places the IDA in its highest category, ranking it among the most transparent development institutions. Citizen engagement is also essential to achieving development outcomes, and as such, all IDA investment operations are required to be informed by consultations with civil society.

An important channel for engaging civil society is the Global Partnership for Social Accountability (GPSA), a multi-donor trust fund managed by the World Bank. The GPSA provides grants to CSOs, supporting them with capacity building and implementation support in their engagement with governments to help solve pressing development and governance challenges, especially in the delivery of services, and to improve development outcomes using social accountability mechanisms, including citizen feedback. Since it was established in 2012, the GPSA has disbursed 51 grants totaling \$33.5 million, of which 73% was for IDA countries. Moreover, after the publication of the *Strategic Framework for Mainstreaming Citizen Engagement* in 2014, citizens’ voices and agency are increasingly and more systemically integrated into WBG policies, projects, and advisory services to improve development results and build sustainable national systems for citizen and civil society engagement.

- b. **Para. 62. The IDA will seek to foster more inclusive governance by strengthening platforms for greater social accountability and citizen engagement.** IDA20 will continue to further sharpen focus on citizen engagement by supporting better integration of gender and social inclusion considerations in all stages of fiscal planning and budgeting. Well-planned fiscal policy and budget systems are central to achieving strategic priorities such as inclusive governance and gender equality. IDA20 will help countries foster inclusive governance and institutions through reforms that incorpo-

rate principles of equity into the management of financial resources and public investments. Gender-responsive budgeting also involves economic modeling to better understand and address the impacts of fiscal policy on multiple stakeholders and gender equality outcomes.

- c. **Page 104. IDA20 includes a result indicator (Tier III, Indicator #23), “Projects with beneficiary feedback at design (%)” in the IDA Results Measurement System (RMS).** IDA19 also used this indicator. The target for FY21-23 is 100%. This indicator is somewhat modified from the indicator used in IDA17 (i.e., “Projects using beneficiary feedback (%)”). Noteworthy is the missing focus on the actual use of feedback collected.

## C. Challenges and Suggested Actions

4. **More attention to the effectiveness and quality of implementation of the CE commitments is needed.** IDA reports on compliance with targets for inclusion of CE activities in project design at the approval stage. However, it does not report on the actual implementation of planned CE activities and associated outcomes. For example, the [IDA18 Implementation Status](#) reports introducing enhanced grievance redress and beneficiary feedback interventions in 50 countries but provides no details on how it was implemented and what the outcomes were. Similarly, the [IDA19 Implementation Status report](#) (para. 37–39) contains no performance indicators and/or discussion of implementation progress on IDA19 commitments to help citizens hold the state accountable and scope and quality multistakeholder platforms engagement in decision-making and implementation of public policies. The final IDA20 Replenishment report, February 17, 2022, does not outline how the IDA would implement and monitor commitments for greater CE and social accountability with gender and social inclusion. We welcome the IDA team’s response to PTF [comments on the IDA20 Draft Deputies report](#) (annex 3) that it is “open to conducting a timely review of the IDA19 commitment on the impact of the multistakeholder platforms and other World Bank efforts to enhance CSO engagement and multistakeholder platforms” (p. 18).
5. **CSO engagement in IDA-funded projects takes place but is underutilized.** CSOs engage as (a) implementing partners to IDA/IBRD project implementing authorities to provide agreed operational services and (b) as stakeholders, advocates, and third-party monitors to enhance citizen/stakeholder engagement, enhance accountability, and participate in multistakeholder platforms. To provide operational services, CSE is funded from project funds (IDA/IBRD/ other donors) and, as stakeholders in their own right, from trust funds, Bank budget, and other private and official donors. CSOs choose whether to engage and the pathway to follow depending on their preference (e.g., advocacy, watchdog, service provider, capacity builder, representation, etc.). In response to an Access to Information request by the PTF, the Bank advised that during FY16-21, about 1% of the total amount of contracts (\$811 million) and 2% of the total number of contracts (over 2,700) awarded by the IDA went to CSOs. This level appears to be unchanged significantly in nominal terms (a decline in real terms) from a 2012 Bank estimate of \$842 million.

6. **Now is a good time to expand CSE in the IDA to help address at least four key challenges in the IDA20 implementation:**
- a. **Implementation challenge.** The IDA will need to almost double the annual disbursements of about \$20 billion to transfer the bulk of the nearly \$80 billion of undisbursed IDA19 funds and much of the \$93 billion new IDA20 money in the next three to four years. An expanded use of CSOs as service providers can help accelerate IDA disbursements and results.
  - b. **Inclusive development challenge.** CSOs have well-recognized expertise and a proven track record in promoting inclusive development and last-mile delivery, especially in FCSs. They can help with faster delivery of IDA commitments for inclusive development: inclusive social protection services, programs for persons with disabilities, inclusive climate policies, inclusive and responsive public services, closing gender gaps, preventing and responding to gender-based violence, inclusive and gender-sensitive budgeting, financial inclusion, closing connectivity gaps and helping with crisis preparedness, and, in the process, enhance trust in government and enhance social sustainability.
  - c. **The challenge of monitoring project performance.** Using CSOs as third-party monitors (TPM) can improve monitoring, evaluation, and learning. Collaboration with CSOs will help implementing agencies (IAs) supplement their M&E capacity and systems, assure donors and the public that the IA is meeting outputs and outcomes commitments, collect feedback to improve performance and responsiveness, build community trust, and comply with donor conditions.
  - d. **The challenge of ensuring transparency and accountability (T&A) in government spending.** Already, the high governance and fiduciary risks inherent in IDA lending in countries with weak [CPIA](#) ratings for transparency, accountability, and corruption in the public sector will be further elevated by the expanded scale of IDA20. This expansion will take place in governance systems weakened and overburdened by pandemic-related disruptions of the past two years. IDA20 recognizes the problem and is requiring enhanced governance reforms when lending for infrastructure in countries with a CPIA score of 3.0 or less on T&A and corruption.
7. **Promoting CSO engagement in IDA-funded project life cycles can help it deliver better results and ensure that the money is well spent.** CSOs can play crucial roles as social intermediaries facilitating the interaction between individuals and communities as well as acting as “citizens” and “stakeholders” in their own capacity in projects funded by the IDA/IBRD. No new policies are needed as CSOs are included in the definition of “citizen” and “stakeholder.” Explicit attention to promoting CSO engagement in CE/SE agendas in the life cycles of IDA/IBRD-funded projects would help more effective implementation of the IDA20 commitment to greater social accountability, citizen engagement, inclusive development, and faster delivery of funds and results in all IDA thematic areas than governments acting alone. CSE can be promoted through several actions:

- a. Issue a guidance note for the Bank’s borrowers and staff on using CSOs for effective implementation and monitoring (including third-party monitoring) of IDA/Bank-funded projects. The guidance can be based on the Bank’s experience with operational collaboration with CSOs as well as the recent work by the Asian Development Bank and the Inter-American Development Bank.<sup>2</sup>
- b. Enable ex post monitoring of contract awards to CSOs under IDA-funded projects. Currently, information on contract awards to CSOs is not disclosed in the [contract awards database](#) published by the Bank. Disclosing whether the contract award is to a CSO (nonprofit entity) and adding an appropriate filter would enable sorting of contracts awarded to CSOs. This information would enable interested parties in and outside the Bank to do deep dives in the data on CSE at country, sector, regional, and institutional levels. This can be transformational in promoting a learning cycle to identify good practices for improving CSE in development work.
- c. Resume production and publication of the [annual reports on collaboration with CSOs](#) in the World Bank-IDA operations. The last such report was produced in 2012, and the reasons for discontinuation are not apparent. However, the report is a valuable tool to allow an informed dialogue on progress and issues relating to the Bank’s goal of collaboration with CSOs as development partners in the full spectrum of Bank activities, including CE/SE in projects. The ADB and IADB already publish such reports.

**8. IDA partners should consider institutionalizing citizen and CSO engagement in future IDAs.** In the coming months, the IDA plans to undertake reviews of (i) implementation progress and outcomes of IDA commitments for citizen and CSO engagement in projects and multistakeholder platforms and (ii) partnerships with other development actors. These reviews are a valuable opportunity to close the information gaps on actual citizen and CSO engagement in recent years and to discuss how going forward, the IDA can sustain and elevate citizen and CSO engagement beyond the progress already made.

Participants in IDA18, IDA19, and IDA20 have steadfastly supported actions bringing citizens and CSOs more effectively into the development process, and specific successes have been achieved. CSE currently receives mention as part of the governance cross-cutting theme, but this may be limiting attention to citizen and CSO engagement’s contributions to areas other than governance.

There are many good reasons to sustain and expand CSE in future IDAs. IDA participants and global development accords have articulated these on many occasions in the past, but it is useful to recall them. In their own right and as implementing partners, CSO engagement in the IDA helps improve inclusion and last-mile delivery in all sectors and themes; improve development outcomes; enhance value for money through increased accountability in the use of funds and performance verification; and helps with faster and better delivery of IDA

<sup>2</sup> In 2021, the ADB updated its policy on “[Promotion of Engagement with Civil Society Organizations](#)” (*ADB Operations Manual*), issued a staff guidance note, and a [Sourcebook for Engaging with CSOs in ADB Operations](#). The Inter-American Development Bank has an updated [Civil Society Engagement Strategy and Action Plan](#) and is currently [consulting on progress](#) under the 2019–2021 Action Plan and a proposed 2022–2024 Action Plan.



results than governments acting alone. The IDA has many comparative advantages relative to other official and private donors in supporting and funding CSOs. In this context, now is a good time to start a discussion among relevant stakeholders and IDA participants on what roles CSOs can play in future IDAs and how they could be funded. We recommend the following:

- a. The planned reviews of IDA19 commitments for citizen and CSO engagement and partnerships aim for in-depth reviews of actual implementation and lessons for enhancing effectiveness. The deadline for completion might be the IDA20 Mid-Term Review.
  - b. In preparation for future IDAs, IDA participants launch a consultative process with relevant stakeholders to deliberate the following issues. Completion may be aimed no later than the launch of the IDA21 Replenishment process.
    - i. *What progress has been made in actual citizen and CSO engagement in the IDA following relevant IDA commitments in recent years, and what are known outcomes and lessons?*
    - ii. *Do the IDA participants want to sustain the progress and make further commitments for citizen and CSO engagement in future IDAs?*
    - iii. *Should the IDA support the development of both state and nonstate institutions to advance its goals for accountable and inclusive institutions and resilient, inclusive, and sustainable development?*
    - iv. *What improvements are needed in the Bank's current policies and procedures for CSO engagement as distinct from policies for citizen and stakeholder engagement, and what IDA commitments could be considered for supporting CSE in the IDA?*
    - v. *How can IDA recipients and staff be incentivized to routinely consider the potential roles CSOs can play at project and sector/country levels, and how can the transaction costs involved be minimized?*
    - vi. *Should citizen and CSO engagement be unbundled from governance and considered a cross-cutting theme, in its own right, to enable deeper attention to CSO contributions across all IDA themes/sectors? If not unbundled, how would greater attention and policy commitments for CSE in the IDA be ensured?*
    - vii. *How can full funding be ensured when planning CSO engagement in projects and multis-takeholder platforms?*
9. **The IDA is well positioned to persuade/require IDA recipients to expand the use of CSOs to help design, implement, monitor, and evaluate projects.** It can do so by leveraging its long-term and trusted relationship with the governments, the concessional IDA funding, CE/SE policies, country presence, and prior actions process for development policy (budget support) operations. The IDA has infrastructure and expertise in developing countries, especially in FCS situations, to channel funds to CSOs and to supervise CSE over the full project life cycle. It can often work in situations where there are government restrictions on foreign funds flow to local CSOs from private and official bilateral donors (especially in FCS situations). Substantial expansion of CSO engagement in IDA operations will have many externalities, such as building, over time, a capable and well-resourced local civil society in IDA recipients that can engage constructively with the governments, promote open government systems, and increase trust in and support for the IDA and implementing authorities.

## Appendix to Annex 4: PTF Comments on the IDA20 Draft Deputies' Report and IDA Team Responses, December 8, 2021

### PTF Comment (11-30-21)

*Thank you for this opportunity to comment on the IDA20 Draft Deputies' Report, which outlines a strong IDA20 financing package. Our comments relate to the improved effectiveness of IDA-funded operations resulting from citizen engagement (para. 36, 62) and build on the comments and suggestions we provided at the IDA CSO roundtable on October 6, 2021.*

*Commendably, recent IDAs have included strong and growing commitments for citizen and CSO engagement (see the attachment at the end of this note). Expanding such engagement is necessary to address the twin challenges of effective implementation of the \$90 billion IDA20 package (the most ambitious IDA package so far) and ensuring that the money is well spent. Many IDA countries, especially in fragile and conflict-affected conditions, suffer from weak governing capacity and, therefore, rely on CSOs and NGOs to deliver their programs and help with monitoring and oversight of resource use.*

### IDA Team Response (12-8-21) (p. 4, 17–18)

Thank you for your comments and for recognizing the IDA's strong and growing commitments to citizen and CSO engagement across the IDA cycles. We acknowledge the critical role that CSOs play, particularly in FCS countries. At the country level, CSOs are an integral part of multistakeholder consultations that inform the formulation of Systematic Country Diagnostics and Country Partnership Frameworks. At the project level, CSOs play a crucial role in enhancing citizen engagement in Bank operations, for example, through facilitating beneficiary feedback loops, implementing community-driven approaches, conducting third-party monitoring, and increasing transparency and accountability—overall, contributing to better results and higher development impact on the ground. Consulting with beneficiaries throughout the project cycle is embedded within the new Environmental and Social Framework.



**PTF Comment (11-30-21)**

*We are encouraged to see that in a recent report to the board (para. 70), World Bank Group Management states: “In response to IEG’s recommendations, the Bank and IFC have taken steps to build more impactful and efficient approaches to engaging with citizens and clients, including through enhanced diagnostics, training, systems, and digital platforms.”*

*In contrast, IDA20 seems to take a step back from commitments included in prior IDA replenishments as it does not outline actions needed to expand the role of citizen and CSO engagement in assuring IDA20’s effectiveness. To remedy this, in our view, two basic issues call for IDA deputies’ attention and actions.*

*First, the IDA has reported that citizen engagement (CE) activities have been included in the design of almost all projects funded by the IDA since 2016 (thanks to the strong commitments and targets in IDA17-19). The necessary next step is to comprehensively report on the extent of actual implementation of citizen/CSO engagement over the last five to six years, how the feedback collected is used, and outcomes achieved as a result. Strengthened monitoring of citizen engagement was recommended by the Independent Evaluation Group in 2017 and promised in IDA19. Such reporting is essential for transparency, accountability, learning, development effectiveness, and moving forward. This should be highlighted in the IDA deputies’ report.*

*Second, we welcome the affirmation (para. 62) that the “IDA will seek to foster more inclusive governance by strengthening platforms for greater social accountability and citizen engagement.” However, greater clarity is required as to how this will be done and the specific actions that will be taken to achieve this, as has been done in recent IDA replenishments (see attachment).*

*To address these issues, we respectfully suggest that the commitment in para. 62 of the report to foster “greater social accountability and citizen engagement” should be strengthened by adding the following specific actions:*

*(a) the IDA will review and share how citizen and CSO engagement commitments under the recent IDAs have been implemented, outcomes achieved, and lessons learned by the end of CY22; and,*

*(b) building on the 2018 IEG evaluation and other recent developments (such as the adoption of the Environment and Social Framework), the 2014 citizen/CSO engagement framework should be updated no later than the IDA20 Mid-Term Review. This update would provide a basis for expanded citizen/CSO engagement in service delivery and strengthened feedback loops, as well as strengthened roles for CSOs and citizens in monitoring and oversight of the implementation of IDA20-funded operations. Such a review would include consideration of how engagement can be adequately financed.*

**IDA Team Response (12-8-21) (p. 4, 17-18)**

The IDA remains committed to strengthening platforms for greater social accountability and citizen engagement. Per the strategic framework on citizen/CSO engagement adopted in 2014, all investment project financing operations financed by the World Bank are required to meet the following three conditions: (i) project design must be citizen-oriented; (ii) projects' results frameworks must include at least one beneficiary feedback indicator to monitor citizen engagement throughout project implementation; and (iii) projects must report on the beneficiary feedback indicator(s) by the third year of implementation.

The Bank monitors and reports on these targets on a quarterly basis for projects approved since July 2015. Results are published in the Corporate Scorecard at <https://scorecard.worldbank.org/>. There has been significant progress on this; for example, 99% of IPFs approved in FY20 had a citizen-oriented design compared to the baseline of 60% in FY14.

Development Policy Financing (DPF) operations have also included measures for enhancing citizen engagement, for example, through the adoption of national legislation on participatory budgeting or procurement monitoring. Citizen engagement is also facilitated through certain IDA policy commitments and the IDA RMS. For example, IDA19 committed to supporting at least 50% of IDA countries to establish and strengthen platforms for engaging with multiple stakeholders, including women as well as vulnerable groups, in policymaking and implementation to enhance public participation, accountability, and responsiveness. The IDA19 RMS tracks the percentage of projects with beneficiary feedback at design.

Considering the present focus of IDA20 on building back better, there was a need to improve the specificity of the IDA19 citizen engagement commitment. Accordingly, for IDA20, the focus and ambition of the citizen engagement commitment will be sharpened and increased, respectively, through a new commitment to mainstream gender-responsive budgeting. Specifically, IDA20 will encourage greater citizen participation, accountability, and responsiveness by supporting institutional reforms that mainstream principles of gender equity and social inclusion into the management of public finance. Given the lessons learned from IDA19 about the challenges associated with measuring the broad concept of multistakeholder engagement, the proposed approach demonstrates selectivity for a more targeted response to the most pressing challenges of IDA countries.

Even so, the IDA is open to conducting a timely review of the IDA19 commitment on the impact of the multistakeholder platforms and other World Bank efforts to enhance CSO engagement and multistakeholder platforms.



## ANNEX 5: Third-Party Monitoring (TPM) in the IDA and Bank

### A. Third-Party Monitoring in IDA/Bank-Financed Projects

- 1. TPM can be citizen led (participatory) and/or conventional, involving consulting and accounting firms.** Citizen-led monitoring is one of the seven CE mechanisms under the [citizen engagement](#) (CE) framework. Conventional TPM is prevalent to independently verify compliance with environmental, social, safety, and performance standards.<sup>1</sup> Some mechanisms for citizen-led monitoring include public expenditure tracking surveys, social audits, community/citizen scorecards, participatory audits, budgets, or procurement monitoring, and project quality monitors. Typical TPM contracting and funding relationships in IDA/Bank-funded lending are shown in figure 2. Typically, third parties come from consulting and accounting firms, nongovernmental organizations (NGOs), academia, aid organizations, and United Nations agencies.
- 2. The option to use CSOs for TPM by IDA recipients and the IDA/Bank has been available for years but has been underused.** According to the Bank's draft 2021 CE Annual Report, citizen-led monitoring was selected in only about 4% of the total number of projects approved by the Bank during FY18-21. The 2018 IEG evaluation of the CE strategic framework found that "*Citizen monitoring, evaluation, and oversight is rarely included at design and even more rarely implemented.*" It found that such monitoring was planned in 50 out of 256 projects covered by the IPF portfolio review (box B.5, p. 89). However, implementation happened in only one out of three completed projects (box B.8, p. 92). According to the Good Practice Note on TPM, as of 2018, the Bank used trust funds and its own budget for 16 contracts (active and closed) for TPM in seven FCS-affected countries totaling US\$51.5 million. The average cost of such TPM is over \$2 million per project.
- 3. At present, the Bank has no systematic way of financing conventional TPM that strengthens accountability, transparency, and integrity in Bank-financed operations.** When the World Bank project teams identify convincing reasons for third-party monitoring (e.g., mitigate risks and assure value for money), they have great difficulty in funding such TPM given the reticence of the borrower to spend their IDA "entitlement" to fund CSOs or other third-party monitors to hold the implementing agencies accountable. The available data confirms this self-evident truth. While scattered trust funds money can be found on

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<sup>1</sup> World Bank, [Environment & Social Framework for IPF Operations](#); Harrison, [Study on Best Practices in Third Party Monitoring](#).

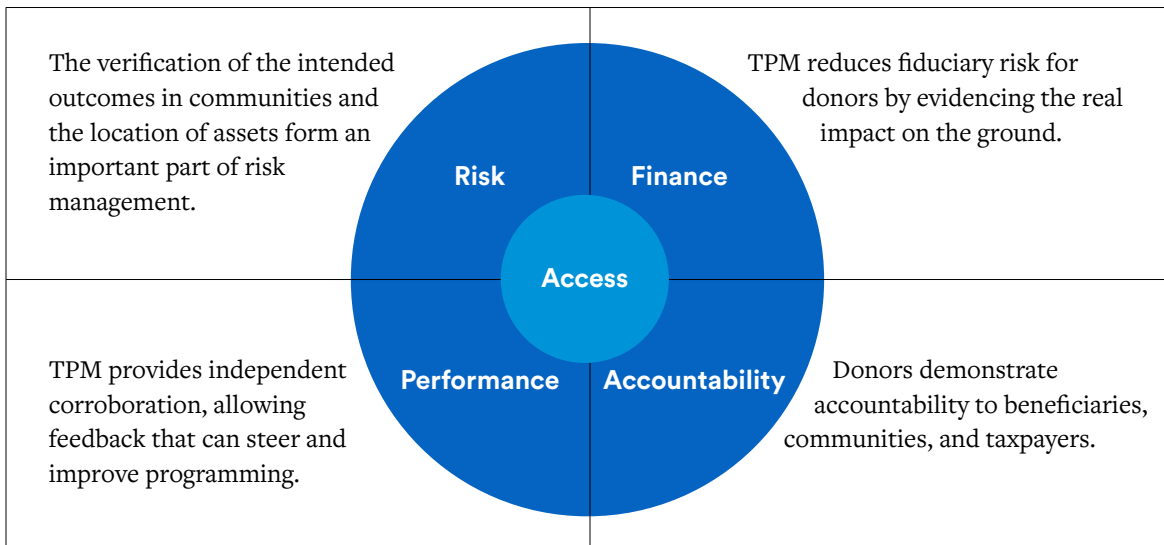
rare occasions, there is no general-purpose CSO fund or window that could be used, and only exceptionally are the resources such that the Bank can be drawn on for such purposes.

4. **There is strong evidence (annex 1) that TPM and other citizen-led social accountability tools can contribute greatly to more conventional mechanisms (of borrowers or the Bank itself) to combat corruption and the misuse of resources in World Bank-financed operations.** At present, however, these are ad hoc since there is no clear source of funding for them. The Bank can finance CE to some extent during the project preparation stage out of its administrative budget, and in rare circumstances, the borrower may agree to include citizen or CSO participation as a project expense. Yet, there is no regular source of funding for TPM outside of the project funding channels, even when the Bank project teams consider them important. Donors to the IDA have a natural interest in financing TPM by CSOs to improve the performance of Bank-financed projects, including maximizing value for money and accountability.

## B. Conceptual and Policy Framework for TPM

5. **TPM is generally defined as monitoring conducted by a third party that is neither the project implementing agency (IA) nor the donor.** Fundamental reasons to do TPM are shown in figure 1.<sup>2</sup> Donor motivations for TPM typically include using TPM as eyes and ears when their own access is limited; mitigating unusual or high risks; independently verifying value for money; and assuring communities and taxpayers of accountability in the use of donor funds. IA motivations include supplementing their M&E capacity and systems; assuring donors and the public that the IA is meeting outputs and outcomes commitments; collecting feedback to improve performance; being more responsive and accountable to beneficiaries; building community trust; and complying with donor conditions.

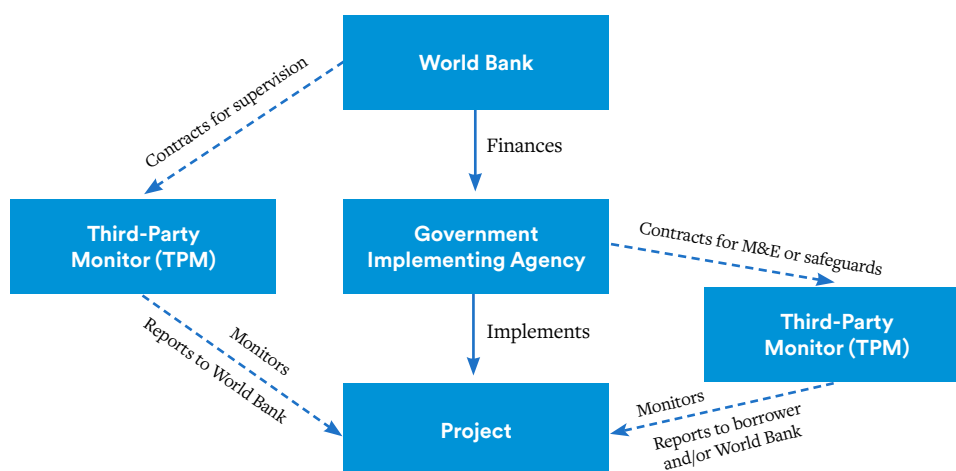
Figure 1: Fundamental Reasons for TPM



<sup>2</sup> Harrison, *Study on Best Practices in Third Party Monitoring*.

6. The **citizen engagement (CE) framework includes TPM under “Citizen-Led Monitoring.”** It states, *“Involving citizens in monitoring service delivery, revenues, budget execution, procurement, contract awards, and reform policies can increase transparency, improve efficiency of service delivery or budget execution, and reduce opportunities for corruption”* (para. 112). A distinction is made between “participatory monitoring” and TPM. The former refers to the *“active participation of project beneficiaries, project affected people, communities and other primary stakeholders in designing and implementing the monitoring.”*<sup>3</sup> Some mechanisms for citizen-led monitoring include public expenditure tracking surveys, social audits, satisfaction surveys, community scorecards, participatory audits, budgets, or procurement monitoring, project quality monitors, or citizen report cards.
7. The **Environment and Social Framework (ESF) allows the World Bank to require the borrower to engage TPM.** It states, *“Where appropriate and as set out in the Environment and Social Commitment Plan, the Bank will require the Borrower to engage stakeholders and third parties, such as independent experts, local communities, or non-governmental organizations (CSs) to complement or verify monitoring information”* (para. 58). The ESF [Good Practice Note on TPM](#)<sup>4</sup> elaborates that (a) the purpose of the borrower contracting third parties is to strengthen monitoring and evaluation systems and obtain additional data on the achievement of progress development, and (b) the Bank contracts an independent agent (third party) to verify that project implementation by the borrower complies with the provision of the financing agreement and that the environmental and social performance of the project meets the agreed standards. These contracting and funding relationships are shown in figure 2. Typically, third parties come from nongovernmental organizations (NGOs), academia, aid organizations, United Nations agencies, or private firms.

**FIGURE 2: Forms of TPM in Relation to the World Bank, Borrower, and Project**

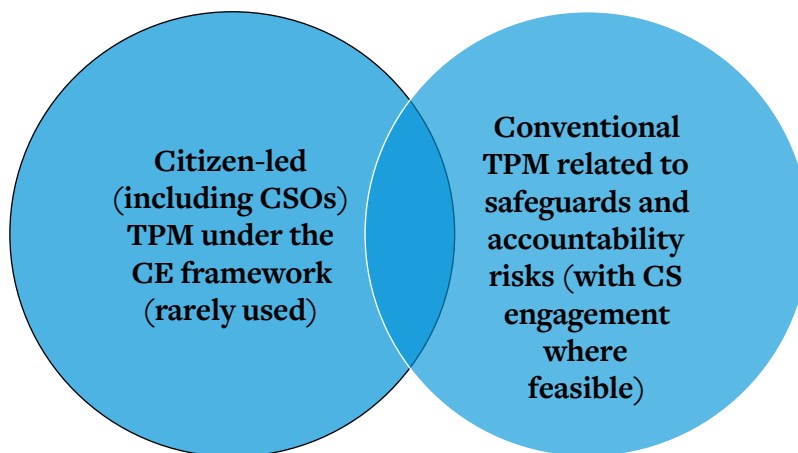


3 Van Wicklin III et al., [Participatory and Third Party Monitoring](#).

4 World Bank, [Environment & Social Framework for IPF Operations](#).

8. **Conventional TPM involves the use of consulting and accounting firms** and appears to be increasingly used by the Bank in Program for Results (PforR) and to verify compliance with environmental and social standards. Synergy with and the use of CSOs is rare.
9. **Citizen-led monitoring and ESF envisaged TPM** (closer to conventional TPM) are not mutually exclusive and should be visualized as strengthening a project’s monitoring, evaluation, and learning (MEL) as well as transparency and accountability frameworks. TPM should therefore find a place under the M&E and accountability banner to elude the constraints of the CE frame. Applying open government principles of proactive disclosure of conventional TPM findings can help bridge the gap between conventional TPM and CE TPM. Conventional third-party monitors can also be encouraged to take citizen and CSO views into account. It should be championed by those concerned with minimizing corruption, enhancing transparency and accountability, and strengthening MEL. The strategic goal should be to grow the zone of overlap between conventional and CE-driven TPM.

**FIGURE 3: Synergy between Citizen-Led and Conventional TPM**



10. **Situations that benefit from TPM.** According to the ESF GPN on TPM, the Bank contracted TPM (own or TF resources) to (a) perform fiduciary oversight, (b) control infrastructure quality, and (c) monitor social and environmental risks, especially gender-based violence. TPM literature lists the following situations that benefit from TPM:
  - a. Certification or verification of performance or results is needed
  - b. Community ownership of development projects and programs is desired
  - c. Access to the project site is limited due to security concerns or other restrictions
  - d. A significant number of grievances requiring independent review
  - e. Community monitoring of benefits or impacts needed to enhance Project Development Objective (PDO)
  - f. A project is considered highly susceptible to corruption, misappropriation, or theft
  - g. The IA has capacity constraints in undertaking monitoring, evaluation, and learning

- h. Unbiased perspectives and recommendations are needed on issues and status, such as financial or procurement compliance, governance, accountability, or environmental and social risk management

**11. Typical TPM activities.**

- a. Support the borrower in project implementation through improved monitoring of progress, monitoring compliance with processes, and identifying emerging issues and solutions
- b. Undertaking site visits to review documents and meet workers and stakeholders
- c. Verifying compliance and progress on project commitments and enabling corrective and preventive actions
- d. Reviewing stakeholder engagement and grievance management
- e. Providing project progress and compliance information to the IA to disclose to stakeholders

**12. Key challenges in TPM.**

- a. Difficulties and costs in obtaining valid and reliable data
- b. Knowledge necessary for quality and credibility of TPM
- c. Getting project management to take on board its findings and recommendations
- d. Confidentiality versus disclosure
- e. Independence from the contracting party, which is especially challenging for local monitors in repressive governments
- f. Elite capture in participatory monitoring

## References

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## ANNEX 6: Review of a Curated Set of CSO Funding Mechanisms Used by Donors

This annex presents a prima facie review of 12 CSO funding mechanisms used by the World Bank–hosted trust funds, the European Union, the UK Foreign Commonwealth and Development Office (FCDO), and the US State Department. The review is intended to generate ideas for setting up a CSO funding facility for third-party monitoring and associated capacity building in the IDA. The results of the review are summarized below.

### A. CSO Funding Facility/Mechanism in Trust Funds Hosted by the World Bank

**Global Partnership for Social Accountability (GPSA)**. **Type:** A World Bank multi-donor trust fund (MDTF). **Objective:** Established in 2012 to fund CSOs to close the accountability gap (the gap between what the citizens want and what the governments actually do) by using a constructive engagement approach. **Eligibility:** CSOs in 55 countries (30 IDA recipients) who are members (opted-in). Direct grants (\$0.5–1.0M) to CSOs through calls for proposals (CPF). **Funding scale:** During its nine-year life, GPSA has made grants totaling about \$50M, of which \$27.5M came from the World Bank. In the past five years (FY17–21), GPSA mobilized about \$5M in funding per year, of which about \$1.5M was from the Bank. **Governance:** Multistakeholder steering committee supported by a secretariat staffed and hosted by the World Bank. **Comments:** GPSA has fallen short of expectations. It is planning, in 2022, to review results, lessons, and future directions. The MDTF expires in 2024 and is not expected to renew.

**Open Government Partnership (OGP)**. **Type:** MDTF. **Objective:** Cocreation of country action plans for OGP commitments and cross-country learning. **Eligibility:** Direct grants to CSOs in OGP members through calls for proposals (CPF). CSOs have to be endorsed by the national CSO-government steering committee. **Funding scale:** \$12M for five years (2018–2023). Grant maximum= \$450K. Eight CSOs received \$200L each. **Governance:** Steering committee (OGP and the Bank) supported by Bank staff. **Comments:** High and complicated transaction costs according to CSOs and OGP. Lessons learned need to be taken into account in TPM facility design.



**Global Environment Fund (GEF) Small Grant Program (SGP).** **Type:** A window in a large multipurpose financial intermediary fund (FIF). **Objective:** Enhance civil society engagement with GEF. **Eligibility:** Directly grants to community-based organizations (CBOs) and NGOs for CSOs to execute community-led projects and capacity-building grants (not exceeding 10% of country program grant allocation) at the country level. Funding is provided on a rolling ongoing basis. **Funding scale:** \$580 million in grants over 20 years for 20,500 small projects in 135 countries. Grant range \$25,000–\$50,000 with a \$150,000 cap. **Governance:** Implemented and hosted by the UNDP (small team in HQ to provide global oversight) and a national coordinator (NC) and a national steering committee (NSC) in each participating country. Country programs are hosted primarily by UNDP country offices but also by national host institutions (NHI). The NSC is volunteer based, comprising a majority of civil society organizations, as well as representatives of the government, UNDP, the academia, indigenous peoples’ organizations, the private sector, and the media. The NSC helps develop the country program strategy (CPS) and is responsible for the final approval of grants and undertaking M&E. The NC also serves as secretary to the NSC and acts as a liaison with the local government, UNDP, and all other key stakeholders at the local level. **Comments:** This model is worthy of serious consideration during the design of the TPM funding facility. Need to understand who and how of window funding for ideas to structure the relationship between the IDA and TPM facility.

**Global Partnership for Education Fund (GPEF) Education Out Loud (EOL).** **Type:** A window in a large multipurpose FIF. **Objective:** The grants aim to strengthen national civil society roles in promoting the transparency and accountability of the national education sector policy and implementation of funds. **Eligibility:** Direct grants to CSOs through three operational windows and a learning agenda: strengthen national education coalitions’ engagement in policy dialogue; increase national social accountability and transparency; and mobilize transnational advocacy alliances’ aim to ensure meaningful inclusion of CSO representatives in local education groups by bringing the voice of marginalized and excluded groups into policy dialogue. The program is dedicating 15% of its total allocation to helping CSOs enhance their institutional and advocacy effectiveness through collaborative learning in financing sustainability, adaptive management, and monitoring and evaluation. **Funding scale:** Established in 2020, the program has mobilized 70 grants in 60 countries through more than 100 organizations and coalitions. EOL grants range from \$100,000 to \$300,000 for nascent groups targeting the poor and marginalized to \$400,000–\$1.2M for the middle-range CSOs. It builds on a decade (2009 to 2019) of experience with the Civil Society Education Fund (CSEF), managed by the Global Campaign for Education (GCE), UNESCO, and the World Bank. The CSEF gave grants to coalitions in 62 countries, representing a total investment of US\$75.4M. **Governance:** Oxfam IBIS (Danish member of the Oxfam confederation) coordinates the overall EOL program through a secretariat based in Copenhagen, Denmark, with four regional management units (Ghana, Mexico, Kampala, Nepal) working closely with the grant recipients and supporting them throughout the program. The Knowledge and Innovation Program (KIP) Grant window is managed by



the International Development Research Center (IDRC). **Comments:** This model is worthy of serious consideration during the design of the TMP funding facility. Need to understand who and how of window funding for ideas to structure the relationship between the IDA and TPM facility. The cost-effectiveness of this regional model versus the centralized model of GPSA/OGP and the decentralized model of GEF-SGP also merits analysis.

**Climate Investment Fund (CIF) Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DMG).**

**Type:** Window in a large multipurpose FIF. **Objective:** Enhance the capacity and support specific initiatives of Indigenous Peoples and Local Communities in the CIF's Forest Investment Program (FIP) to pilot countries toward strengthening their participation in FIP and other REDD (reduction of emissions from deforestation) processes. **Eligibility:** The DMG channel grants directly to the national committee established by indigenous people, with technical support from a supervising entity (national and international level NGO) in each country program. The National Committee of Indigenous People provides subgrants for subprojects initiated by community-based organizations and individual community members. **Funding Scale:** According to the [2021 DGM Annual Report](#), 12 country programs were approved for a total of \$70M (grants range= \$4.5–\$6.5M). Eight of these country programs subgranted \$17M for 628 subprojects. **Governance:** The WB TF PMU implements the program. A global steering committee, composed of members of national steering committees, governs the program. In 2013, following a competitive process, the DMG selected Conservation International as the Global Executing Agency and DMG secretariat. **Comments:** This model is noteworthy for local and bottom-up ownership, funding of country programs, and global learning.

**State and Peacebuilding Trust Fund (SPF).** **Type:** MDTF. **Objective:** Help countries address the drivers and impacts of fragility, conflict, and violence and strengthen the resilience of countries and affected populations, communities, and institutions. **Eligibility:** CSOs can be direct recipients and/or executing agencies for grants, but there is no specific window for CSOs. **Funding Scale:** CSOs and academic institutions were recipients of 26 grants with a total budget of \$62.9M, according to the 2020 Annual Report, constituting 10% of all active SPF grants. **Governance:** The SPF Council is supported by a secretariat staffed and hosted by the World Bank. A technical advisory committee approves proposals. The steering committee in each country decides whether to use these allocated grants and prioritizes the focus of these grants. The new SPF 2.0 (mid-2021) is expected to support the implementation of the WBG FCS Strategy. It is expected to “act as a catalyst and enabler to expand financing under IDA and plans to invest more in developing and disseminating FCS knowledge and continue supporting partnerships, in particular with the United Nations and other multilateral organizations.” **Comments:** The SPF is a potential candidate for funding TPM in FCS countries.

**Japan Social Development Fund (JSDF), SDF Capacity-Building Grants.** **Type:** Trust fund hosted by the World Bank. **Objective:** The objective of the JSDF is to provide grants in support of community-driven development and poverty reduction projects that empower



the poorest and most vulnerable groups not reached by other programs and improve their lives through direct benefits. **Eligibility:** Recipient-executed grants are made to eligible countries based on income level classification. They can be executed by NGOs/CSOs and local governments and implemented at the community level. However, JSDF applications, including concept notes, are not accepted from outside parties. NGOs, CSOs, and community-based organizations (CBO) must apply through Bank staff to see how their project ideas can be supported and submitted to JSDF on their behalf. **Funding scale:** In FY19–20, 49% of the grants were implemented by NGOs, 46% by central government agencies, and 5% by other entities (municipality, joint central government/NGO, state government). Between 2010 and 2012, CSOs implemented 34 of 61 approved grants (55%), with a total financing of \$82.6M. **Governance:** The JSDF secretariat is hosted by the Bank. Decisions are made jointly by the Government of Japan and the World Bank. **Comments:** High transaction costs and government and Bank micromanagement. Difficult to access.

**Governance and Institutions Umbrella Program, Institutions of Accountability Component (module 3).** **Type:** MDTF at the World Bank (proposed to start in FY22). **Objective:** Module 3 supports institutions outside the executive branch of government, including the legal and legislative branches and nonstate actors, that focus on accountability and better governance outcomes. It operates through three components: Component 1: Justice and rule of law, Component 2: Legislative bodies, and Component 3: Multistakeholder engagement. **Eligibility:** Component 3 will support CSOs and other nonstate actors that are involved in oversight and achieving better governance outcomes. **Funding scale:** The MDTF target is \$100M and seven years duration. **Governance:** A partnership council comprising (a) representatives from the Bank, including as chair; (b) a representative of each donor; and (c) a representative of each donor contributing to associated trust funds. The MDTF will be housed in the Governance Global Practice and managed by a program manager who leads a program management team (PMT) comprising two staff.

## B. Examples of Subgranting Facilities by the EU, UK FCDO, US State Dept, and JSDF

**Partners in Empowerment.** **Type:** EU grant to the PTF with subgranting component. **Objective:** Strengthen and interconnect CSOs and CSO leaders in five Eastern Partner countries, empowering CSOs to work together and draw on peer and international expertise to hold governments accountable by becoming effective watchdogs engaged in policymaking processes and in leveraging expertise to monitor public service delivery and government decisions. **Eligibility:** The PTF was selected as the fund manager competitively. Thirteen subgrants to CSOs to promote learning by supporting concrete watchdog activities. **Funding scale:** €1M. **Governance:** Grants decided by the PTF. **Comments:** Subgrants managed by PTF HQ.

**Citizens Against Corruption Program.** **Type:** UK FCDO grant to the PTF for subgranting. **Objective:** To provide small grants and technical support to CSOs fighting corruption

and promoting good governance in public services and institutions. **Eligibility:** CSOs responding to CFP in 20 countries. **Funding scale:** €2.8M—74 projects by 52 CSOs in 20 countries funded. **Governance:** PTF-appointed country managers in large country program countries who managed subgranting in the country. PTF management made the final decisions on subgrants. **Comments:** Used a combination of country-based program management and direct grants by PTF global HQ.

**Promoting Equitable, Accountable Civic Engagement (PEACE) in Myanmar. Type:** EU grant to Helvetas, PTF, and the Local Resource Center (LRC) with a subgranting component. **Objective:** Contribute to local CSOs' participation and influence in the planning, implementation, and review of civil engagement and development projects and associated service delivery, provide training, and advocacy. **Eligibility:** Grassroots CSOs responding to CFP managed by the LRC. CSOs selected are required to complete the three-module training program. **Funding scale:** €1.5M. Subgranting allowed—187 subgrants to 139 CSOs. **Governance:** Program managed by the LRC with PTF technical assistance. **Comments:** Notable for simplified grant-making procedures suited for small grants (€5,000–15,000) to grassroots CSOs and for the approach of combining a capacity development program for CSOs with a small grant program.

**Citizen Action for Results, Transparency, and Accountability (CARTA) Program. Type:** World Bank-JSDF grant to the PTF with subgranting component. **Objective:** To provide donors and development agencies with more specific and real-time information on the impact of their projects through third-party monitoring. **Eligibility:** Local CSOs in Bangladesh and Nepal selected by in-country program managers. **Funding scale:** \$2M with 10 subgrants. **Governance:** PTF HQ made the final decisions on subgrants. **Comments:** Good model for selecting and managing country program managers.

**Increasing the Integrity of Public Procurement in Malawi. Type:** US State Department grant to the PTF with subgranting component. **Objective:** To support procurement reforms in Malawi that will increase transparency and fairness of public procurement by empowering citizens to hold relevant institutions accountable. This will be accomplished through training civil society organizations to serve as watchdogs by monitoring public procurements through the e-platform and other means. **Eligibility:** Fifteen CSOs (including journalists) trained by the PTF and its local country partners. Six trained CSOs will receive subgrants for learning by doing. **Funding Scale:** \$1M grant. Subgranting to six CSOs. **Governance:** Managed by the PTF with its local in-country partners. **Comments:** Good model of building capacity and operational skills by a combination of training and learning by doing.

**South Asia Governance Fund. Type:** Notice of Funding Opportunity by the United States Department of State's Bureau of South and Central Asian Affairs, 2019. **Objective:** Fund manager to oversee a new regional fund dedicated to promoting good governance in South Asia and to rapidly respond to emerging opportunities and needs as they evolve on the ground. The fund will also support the ability of local governments and civil society to



contribute to improved governance and effectively respond to emerging opportunities through the provision of capacity building, mentoring, and program support as needed.

**Eligibility:** An organization to serve as a fund manager capable of identifying projects and subawardees, disbursing, managing, and monitoring funds. **Funding scale:** Up to \$14M over three years. All proceeds go to subgrants after paying for fund manager expenses.

**Governance:** The fund manager will decide on subgrants and propose country-level arrangements. Grants are to be made in consultation with local embassies. **Comments:**

The PTF made a proposal with another partner but was not selected.





## ANNEX 7: Review of OECD-DAC Data on 2017–2021 CSO Commitments

1. **Background.** The OECD-DAC Commitment Reporting System contains self-reported ODA data from all major donors. Various attributes are reported for each individual transaction<sup>1</sup> including the donor, the recipient country,<sup>2</sup> the sectoral use of the funds, the delivery “channel,” the type of aid, etc.<sup>3</sup> Commitments from the last five years (2017–2021) for which complete CRS data was available was analyzed.<sup>4</sup>

### A. Overview

2. **During the 2017–2021 period, NGOs and CSOs implemented 10% of all ODA; within that, country-based NGOs and civil society implemented around 13% (or 1.4% of all ODA).** Funding to country-based NGOs and CSOs was primarily for project interventions; only 10% of the support they received (0.1% of all ODA) was for nonproject interventions. Moreover, a detailed review of these nonproject interventions revealed that they included project-specific deliverables, suggesting that the non earmarked funds available for core expenses and capacity building were extremely limited.

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<sup>1</sup> Transactions can range from individual projects to project components to specific activities.

<sup>2</sup> Where ODA is provided beyond the country level, it is recorded for a subregion, region, or globally.

<sup>3</sup> For a comprehensive set of definitions and codes for all reporting elements, see: <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/dacandcrscodlists.htm>.

<sup>4</sup> As of mid-November 2023, 2022 CRS transaction data was less than fully complete as compared with the aggregate data (in the DAC reporting system).

**TABLE 1: ODA and the Role of Developing Country-Based NGOs and Civil Society 2017–2021 Commitments (USD million, current prices)**

	2017	2018	2019	2020	2021	Total	
	USD m	USD m	USD m	USD m	USD m	USD m	%
All ODA	196,325	205,243	204,089	247,252	246,447	1,099,355	
ODA: All NGOs and CSOs as channel	20,304	20,703	21,993	23,968	24,361	111,329	10
ODA implemented by developing country-based NGOs and civil society	3,346	2,877	2,786	3,353	2,598	14,960	1
ODA: Nonproject interventions implemented by developing country-based NGOs and civil society	195	405	333	272	282	1,485	0.1

## B. Implementation by NGOs and CSOs

3. Similar to overall ODA funding, funding for NGOs and CSOs was heavily concentrated with the ten largest donors providing 85% of funding over the last five years.

**TABLE 2: Donor Funding of ODA to All NGOs and CSOs 2017–2021 Commitments (USD million, current prices)**

Donor	2017	2018	2019	2020	2021
Canada	635	798	1,590	760	1,502
France	NA	NA	NA	716	782
Germany	1,603	1,652	1,969	2,104	2,598
Netherlands	683	683	883	1,754	707
Norway	875	683	893	1,229	1,172
Spain	513	753	NA	NA	627
Sweden	929	1,347	763	NA	1,029
Switzerland	1,009	1,058	727	1,298	981
United Kingdom	1,331	NA	1,533	915	na
USA	7,086	7,201	6,937	7,864	8,516
EU Institutions	2,969	2,239	2,403	2,524	2,668
Global Fund	NA	662	730	1,165	NA
Subtotal 10 Largest Donors	17,632	17,416	18,427	20,328	20,583
Total	20,304	20,703	21,993	23,968	24,361

Note: NA = Donor not among ten largest donors during the year

4. As expected, the majority of ODA (81%) implemented by NGOs and CSOs was in the social sectors and humanitarian aid.

**TABLE 3: Sector Composition of ODA Implemented by All NGOs and CSOs 2017–2021 Commitments (USD million, current prices)**

Sector	2017	2018	2019	2020	2021	Average %
	USD m	USD m	USD m	USD m	USD m	2017–2021
Social Infrastructure and Services	9,347	10,083	10,981	12,861	11,930	49%
Humanitarian and Food Assistance	6,979	6,291	6,975	7,236	7,765	32%
Economic Infrastructure and Services	399	498	510	508	659	2%
Production	1,130	1,360	1,287	1,417	1,398	6%
Multi-Sector and Other	1,133	1,167	1,326	1,269	1,542	6%
In-Donor Country and Admin Costs	544	552	609	389	699	3%
Unallocated/Unspecified	771	752	430	394	387	2%
Total	20,304	20,703	22,119	24,074	24,380	

5. Regional distribution of funds to CSOs and NGOs was heavily weighted toward Africa; this was consistent with but higher than the proportion of all ODA going to Africa by 6%. However, since around 20% of commitments were classified as multiregional and unspecified, the regional distribution of commitments needs to be treated with caution.

**TABLE 4: Regional Distribution of ODA for All NGOs and CSOs % of 2017–2021 Commitments**

Region	% CSOs and NGOs	Memo: % for ODA
Africa	42%	36%
Middle East	13%	10%
America, South America, and the Caribbean	8%	6%
Asia, including South and Central Asia	8%	16%
East Asia and Pacific	4%	7%
Europe	4%	5%
Multiregional and Unspecified	22%	20%
Total	100%	100%

6. A significant portion of ODA (75%) implemented by all NGOs and CSOs was for project type interventions. Only 20% was for core support to NGOs and contributions to specific-purpose programs and funds.



**TABLE 5: Type of Aid for ODA Implemented by All NGOs and CSOs 2017–2021 Commitments (USD million, current prices)**

Category	2017	2018	2019	2020	2021	Average %
	USD m	USD m	USD m	USD m	USD m	2017–2021
Project type interventions	15,378	15,037	16,066	18,516	18,741	75%
Contributions to specific purpose program and funds	1,007	2,776	1,699	1,627	2,496	9%
Core support to NGOs	2,777	1,703	2,807	2,890	2,016	11%
Donor personnel, in-country, and other expenditures	876	947	1,170	750	841	4%
Other TA	222	178	294	286	233	1%
Unallocated and other	45	62	82	5	52	0%
<b>Total</b>	<b>20,304</b>	<b>20,703</b>	<b>22,119</b>	<b>24,074</b>	<b>24,380</b>	

## C. Implementation by Developing Country-Based NGOs and Civil Society

7. **Similar to sovereign funding to all NGOs and CSOs**, the ten largest donors provided 82% of funding for developing country-based NGOs and civil society; by far the largest donors were the EU institutions, which provided 46% of funding.

**TABLE 6: Donor Funding of ODA to Developing Country-Based NGOs and Civil Society 2017–2021 Commitments (USD million, current prices)**

Donor	2017	2018	2019	2020	2021
Canada	31	56	59	72	89
France	na	na	na	48	82
Germany	18	28	24	31	32
Netherlands	132	64	79	134	84
Norway	54	64	63	114	87
Spain	13	30	na	na	21
Sweden	55	135	62	na	99
Switzerland	142	137	163	144	183
United Kingdom	168	na	236	214	na
USA	3	-	-	-	614
EU Institutions	2,092	1,506	1,298	1,378	675
Global Fund	na	375	360	719	na
<b>Subtotal Top 10</b>	<b>2,707</b>	<b>2,408</b>	<b>2,345</b>	<b>2,855</b>	<b>1,964</b>
<b>Total</b>	<b>3,346</b>	<b>2,877</b>	<b>2,786</b>	<b>3,353</b>	<b>2,598</b>

Note: NA = Donor not among ten largest donors during the year

- 8. Implementation by developing country-based NGOs was also heavily concentrated in social infrastructure and services and humanitarian assistance;** at 89% of all commitments, it was even higher than that for all NGOs and CSOs.

**Table 7: Sector Composition of ODA to Developing Country-Based NGOs and Civil Society 2017–2021 Commitments (USD million, current prices)**

Sector	2017	2018	2019	2020	2021	Average %
	2017	2018	2019	2020	2021	2017–2021
Social Infrastructure and Services	1,575	1,632	1,609	1,841	1,961	58%
Humanitarian and Food Assistance	1,529	1,012	863	1,112	128	31%
Economic Infrastructure and Services	19	28	49	98	75	2%
Production	163	123	165	130	132	5%
Multi-Sector and Other	54	66	84	154	274	4%
In-Donor Country and Admin Costs	0	0	0	0	1	0%
Unallocated/Unspecified	6	16	16	17	27	1%
Total	3,346	2,877	2,786	3,353	2,598	

- 9. Regional distribution of commitments.** The regional distribution of commitments to developing country-based CSOs and NGOs did not differ significantly from those to all CSOs and NGOs.

**Table 8: Regional Distribution of ODA Funding for Developing Country-Based NGOs and CSOs % of 2017–2021 Commitments**

Region	% Developing Country CSOs and NGOs	Memo: % All CSOs and NGOs
Africa	44%	42%
Middle East	13%	13%
America, South America, and the Caribbean	7%	8%
Asia, including South and Central Asia	10%	8%
East Asia and Pacific	5%	4%
Europe	7%	4%
Multiregional and Unspecified	14%	22%

Total	100%	100%
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10. **Commitments to developing country-based NGOs and civil society for project type interventions stood at 90%—higher by 15% than those for all CSOs.** Contributions for specific-purpose programs and core contributions stood at only 7% (compared to 20% overall).

**Table 9: Type of Aid for Developing Country-Based NGOs and Civil Society 2017–2021 Commitments (USD million, current prices)**

Category	2017	2018	2019	2020	2021	Average %
	2017	2018	2019	2020	2021	2017–2021
Project type interventions	3,152	2,472	2,454	3,081	2,316	90%
Contributions to specific purpose program and funds	1	302	175	50	55	4%
Core support to NGOs	137	27	41	146	138	3%
Donor personnel, in-country, and other expenditures	2	25	19	7	4	0%
Other TA	37	16	42	66	33	1%
Unallocated and other	17	34	55	3	51	1%
Total	3,346	2,877	2,786	3,353	2,598	

## D. Unearmarked Funds Available to Developing Country-Based CSOs and NGOs

11. **Developing country-based NGOs and CSOs have limited access to funds that they can deploy based on their own priorities.** The category of core support, which is where such funds would be recorded, was analyzed in greater depth.<sup>5</sup> Over the five-year period, USD 897.3 million was committed for core support through 3,579 transactions for an average value of \$0.25 million per transaction. Six donors accounted for over 90% of the value of commitments as well as the number of transactions. The specifics are as follows:
- The largest donor, Italy, accounted for 56% of the commitments provided through 2,900 transactions (81% of transactions), resulting in an average unit value of \$0.17 million. However, at least half the transactions (based on detailed project descriptions) included funding for the construction of physical infrastructure (e.g., construction of school and college classrooms, digging of wells, etc.) or equipment purchase (particularly medical equipment). Hence, funds available for other uses—particularly for capacity building—were likely to be limited.
  - Five other donors (Sweden, Australia, Switzerland, the UK, and Norway) accounted for another 36% of the commitments provided through 365 transactions (10% of transac-

<sup>5</sup> Core support is defined in CRS as “funds paid over to NGOs (local, national and international) for use at the latter’s discretion, and contribute to programmes and activities which NGOs have developed themselves, and which they implement on their own authority and responsibility.”

tions) with an average value of \$0.88 million. As several NGOs received support more than once (for example, each year of support for the same NGO was shown as separate transactions), the actual number of NGOs supported was likely much lower than 365, which is a modest number to begin with. For example, in 2021, Sweden provided \$31 million through 26 transactions distributed by country and regionally (including \$12 million to three NGOs and \$10 million to several Zimbabwe CSOs).

- 12. Data Limitations.** It should be noted that there may be errors of omission (i.e., projects supporting developing country-based NGOs and CSOs may be classified under the broader category). For example, under the projects classified as being implemented by international NGOs, there is a large European Union commitment (\$199 million) for a project titled “Support for Civil Society in Partner Countries—Developing Country NGOs.” This funding appears to be associated with three EU calls for proposal in December 2022 for strengthening global civil society organization umbrella organizations (€56 million), thematic framework partnerships for human rights (€31 million), and EU system for an enabling environment for civil society (€50 million).<sup>6</sup>

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<sup>6</sup> Directorate-General for International Partnerships, “[Civil Society: European Commission Announces New Funding Opportunities](#)” (European Commission, 2022).



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[info@ptfund.org](mailto:info@ptfund.org)  
Open Gov Hub  
1100 13th Street NW  
Suite 800  
Washington, DC 20005

[www.ptfund.org](http://www.ptfund.org)