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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