What is the Role for CSOs in IDA20? Partnering for Accountability and Impact

Event sponsored by Center for Global Development and Transparency and Accountability Initiative

Presentation by PTF based on a study in progress on

Enhancing Citizen-Driven Delivery and Accountability in IDA

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Partnership for Transparency (PTF)

Context - Now is a good time to discuss CSOs' role in IDA20

1. Delivery and accountability challenges in the $93 Billion IDA20 (2022-2025)

2. Evidence: government + CSOs = more, better, and inclusive results with accountability

3. Progress by the World Bank in citizen/CSO engagement provides foundation for expansion

4. The World Bank Evolution Roadmap is an opportunity to make bold transformational moves

5. OECD-DAC Recommendation for Enabling CSO engagement in Development

6. CSOs can do much more in all IDA thematic areas, but the civic space and funding are shrinking

7. IDA's unique access to governments can be leveraged for a multilateral approach for sustained CSO engagement in development programs to complement state efforts

CSOs Currently Play at Least Four Roles in IDA Operations*

Role #1: Facilitate citizen and stakeholder engagement to improve results

Role #2: Provide operational services to project implementing agencies to enhance delivery

Role #3: Participate in IDA's Country Engagement activities (MSP, CPF, SCD, CCDR, CLR) to improve country ownership and impact

Role #4: Perform monitoring and oversight to enhance impact, accountability, and value for money in IDA

* CSOs engagement in shaping the IDA replenishments not covered by the study

MSP = Multistakeholder Platform, CPF = Country Partnership Framework, SCD = Systematic Country Diagnostic, CCDR = Country Climate and Development Report, CLR = Completion and Learning Review, TPM = Third Party Monitoring, GPSA = Global Partnership for Social Accountability

Analysis: In Roles 1 and 2, CSOs can help deliver more and better results using project funds, if the current constraints are removed

Current CSO Roles in IDA	Funding Arrangements/Issues
Role #1: Facilitate <u>citizen</u> and <u>stakeholder</u> engagement	• **Explicit funding rarely evident in project documents** • **No staff/client guidance for engaging CSOs in operations and adequately funding them**
Role #2: Provide operational services to project implementing agencies	• **No analysis of actual citizen and CSO engagement, funding, and impact in IDA-funded projects since 2015** • **Contract awards to CSOs not identifiable**

Recommendation #1: Take actions to expand the opportunities for local CSO engagement (CSE) in IDA20 implementation

Action #1: Issue a policy statement (and guidance note for staff and clients) for collaboration with CSOs in IDA operations

Action #2: Update the <u>2014 Citizen Engagement Framework</u> and related directives on staff guidance and monitoring

Action #3: Implement an action plan to deliver on the IDA20 commitment *"for greater social accountability and citizen engagement"*

Action #4: Add a filter in the <u>contract award database</u> to search and aggregate information on contract awards to CSOs

Analysis: Quality and scope of CSO engagement (CSE) in the Roles 3 and 4 lacks systematic funding and needs significant improving

Current CSO roles in IDA	Funding arrangements/Issues
Role #3: Participate in <u>IDA's Country Engagement</u> activities (MSP, CPF, SCD, CCDR, CLR)	• No systematic funding source/CSO own funds • Inadequate analysis/capacity due to lack of funds • Local CSOs disadvantaged (1-2% of ODA, non-IDA focus) • Country engagement should include non-state act
Role #4: Enhance accountability and value for money through monitoring and oversight	• Conflict of interest in using project funds • TPM can strengthen IDA's well-regarded system for risk mitigation, but lacks fit-for-purpose funding • Funding from trust funds, including GPSA, negligible

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Recommendation #2: Explore establishing a dedicated facility to fill funding gaps for effective country systems for local CSE in IDA

- **Focus grants initially to local CSOs with <u>three objectives</u>:**
  - **Analytical work to flow in <u>IDA's Country Engagement</u> activities**
  - **Third party monitoring (TPM) by CSOs as part of risk management plans for projects with high governance and fiduciary risks**
  - **Capacity building for country engagement and TPM activities**

- **A multilateral facility associated with IDA would provide advantages not available to bilateral ODA and foundations and play complementary roles.**

- **<u>Potential funders for the proposed facility</u> = those seeking to**
  - **maximize value for money in IDA**
  - **leverage IDA to localize and expand local CSO engagement**
  - **promote open government and open society**

To conclude: Taken together the two recommendations will help IDA

1. **Promote local ownership of the development agenda**

2. **Deliver faster and better results than governments acting alone**

3. **Implement social accountability, citizen engagement, and inclusion promises**

4. **Enhance social sustainability by building country systems for open government**

5. **Enhance value for money and accountability by enhancing IDA's well-regarded systems for mitigating corruption, waste, and diversion risks**

❖ **An advance copy of the study is available for downloading on the PTF website**

❖ **To join the mailing list for progress updates, please send an email to the attention of Jillian Hess at info@ptfund.org.**

❖ **Thank you for the opportunity and your attention.**

Methodology used for estimating orders of magnitude of funding

➢ **Funding Scale (F) = G+ CB+ CC where**

  o *G= Grants for TPM of projects most at risks estimated as (H x C) where,*

    ▪ H= # of IDA projects approved in a year that are rated High for governance and/or fiduciary risks. Assumption= 20-30% of 250 approvals per year]

    ▪ C= Average cost of TPM per project [Assumed $1-3 million based on precedence]

  o *CB= Budget for capacity building grants.* Assumed as 10-15 % of G.

  o *CC= Budget for country engagement grants.* Assumption = 50-100 grants year @ $75,000 grant per year = $3.75 m low end and $7.5 m high end

➢ ***G per year=*** <u>Low end</u> = **$50 m (**50 x $1 m) to <u>High end</u>= **$225 m (**75 x $3m)

➢ *F per year = Low end =$58.75 [50+ 5+ 3.75] and High end = $266.25 [225+ 33.75+ 7.5]*