



### 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.

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- 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

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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?"](#)

