



CHAPTER 5:

ACTIONS FOR STAKEHOLDERS

TO EXPAND

CSO CONTRIBUTIONS

TO GOOD GOVERNANCE

The case for expanding CSO engagement in promoting good governance according to the agendas of the SGs and IFIs is supported by the following key elements:

- CSOs are recognized as full partners in Agenda 2030 and as key stakeholders in IFI operations. They are expected to play meaningful roles in promoting transparency, inclusion, participatory policy and program design, reducing corruption, grievance redress, and holding the governments and IFIs accountable.
- A central and growing role CSOs have played for decades is to assist citizens to be aware of their rights and to engage with government to increase responsiveness to their needs— social accountability. SDG16 holds governments accountable for greater attention to the most vulnerable and neglected citizens, calling for an ever greater CSO role as an intermediary.
- There is significant research evidence that well-designed CSO-led programs adapted to context can improve transparency, responsiveness, accountability of the state and reduce corruption, in public service delivery and thus can play an important role in helping to achieve many of the goals of Agenda 2030: SDG3-- Health, SDG4-Education, SDG5—Gender Equality, SDG6—Clean Water and Sanitation and SDG11—Cities and Communities.
- Initial reports of SDG implementation suggest that the level of CSO engagement remains limited and underfunded. Without a significant intensification of effort, financing, action research and collaboration among stakeholders, realizing the SDGs is unlikely. CSO networks, ongoing and recent social accountability programs around the world, and research findings provide a solid foundation to expand CSO programs for improving governance.

An expansion of civic engagement programs for enhancing governance will require accelerated and increased action by CSOs as well as their supporters in governments, IFIs, official donors, INGOs and philanthropy organizations. We have developed the following recommendations for stakeholders to effectively respond to this call to action.

RECOMMENDATION 1: CSOs should accelerate and expand their programs using entry points emerging from SDG16 national plans and IFI stakeholder and CSO engagement policies. These policies are opening up significant new opportunities for grassroots CSOs to constructively engage with authorities to improve the delivery of corruption-free and responsive public services; and participate in design and delivery of development policies and programs.

For example, (i) stakeholder engagement is mandatory in all World Bank financed projects approved after October 2018; and (ii) the ADB, as part of its recently adopted [Strategy](#)

2030, has committed to expand collaboration with CSOs, support corruption free services and adopt anti-corruption plans in the projects it funds.

The following illustrative list of entry points for intensifying CSO engagement is indicative of the vastly underutilized opportunities available to assert influence.

- Assess local context for engagement opportunities in planning, implementation and monitoring of national SDG16 action plans and intensify involvement. A [How-to-Guide](#) is available from the [TAP Network](#).
- Seek to influence and monitor the [Stakeholder Engagement Plan \(SEP\)](#) required under the [Environment and Social Framework \(ESF\)](#) for projects financed by the World Bank after October 1, 2018. The ESF embodies certain rights and resources for 'project affected and other interested parties' regarding access to information, consultation, feedback loops, inclusion, grievance redress, third party monitoring and SEP.⁷⁸ The scope of this opportunity is illustrated by the fact that in recent years the World Bank has approved more than 200 investment projects for a total amount of about \$40 billion per year across most developing countries.⁷⁹
- Work with the UNDP to find entry points for monitoring SDG16 and other targets. Governance is one of six '[Signature Solutions](#)' offered by UNDP, suggesting it may serve as a point of entry for CSOs in developing and emerging countries seeking partnership and support. The UNDP's [SDG16 Hub](#) provides guidance and tools to assist stakeholders in SDG implementation, and its website calls specifically for reviewing national policies on SDG targets, including the fight against corruption.
- Seek to facilitate the implementation of IFI citizen engagement and CSO collaboration policies. IFI policies provide for CSO engagement in information disclosure, consultations, grievance redress, beneficiary empowerment, third party monitoring, and beneficiary feedback loops. The ADB publicly discloses CSO engagement opportunities for each project in the project documents.⁸⁰ Information on World Bank projects can be accessed using its [project documents database](#) and access to information policy.⁸¹ These institutions approve hundreds of projects involving billions of dollars.
- The [International Development Association \(IDA\)](#), part of the World Bank that helps the world's poorest countries, has committed that during 2017-2020 it will integrate user feedback and/or enhanced grievance redress mechanisms in at least 10 IDA countries and will support at least one-third of IDA countries to operationalize commitments made under the [Open Government Partnership](#) to strengthen transparent, accountable, participatory, and inclusive governments.⁸² CSOs may be able to facilitate implementation of these commitments.
- IMF bilateral surveillance and Fund-supported programs are expected to include analysis and policy advice on vulnerabilities to corruption and weak governance. In addition, for countries that volunteer, the IMF will do an assessment of whether

their policies and systems criminalize and prosecute bribery and have mechanisms to stop money laundering. The IMF is reaching out to CSOs for dialogue and these areas provide targets of opportunity to engage.⁸³

RECOMMENDATION 2: CSOs should follow an evidence-based approach in designing and implementing their programs for maximum effectiveness. We recommend the following guiding principles for CSOs to build an evidence based approach:

- Begin with context and political economy analysis. Evidence shows that success requires an understanding of and adaptation to the local context and some minimum conditions such as willingness and capacity of certain key authorities and communities to engage in constructive dialogue, existence of CSOs that have trust and credibility in the community and that can mobilize both citizens and government officials to engage, access to information, mitigating risk of elite capture, political window of opportunities etc. The focus of the analysis should be to ask what conditions are absolutely necessary for success and make a realistic assessment of the extent to which they exist or can be ensured. It should be recognized that right conditions may not be possible in all situations and it is best not to start until things have changed.
- We recommend that CSOs focus their efforts on areas where success is more likely, such as monitoring public service delivery and public procurement and expenditures; and align their contributions to help achieve the relevant SDG targets and/or project development objectives in IFI funded operations.
- Aim for a long-term and iterative approach. We recommend that CSOs formulate programs of adequate duration, with time periods adapted to available funding. This is not to discourage, but to be realistic, and perhaps less ambitious, about what can be accomplished in short time frames. This will require combating the incentives facing both funders and recipients to pack too much into individual projects, with unreasonably high expectations.
- Seek to formalize engagement with authorities. CSO initiatives for good governance have greater influence when government policy makers and program implementers are receptive to dialogue and commit to working together for shared goals. A memorandum of understanding (MOU) is an often-used to record the understandings and modalities for constructive engagement. When pursuing engagement at the local level it is helpful to get higher level authorities to signal that they endorse the grassroots initiative. In some situations, formal structures (such as consultative groups, steering councils, advisory councils) are established.
- Use and generate research evidence by adequately defining the outcomes to be achieved and indicators of success. The design of CSO programs should include: (i) a results framework with results indicators; (ii) key lessons from relevant research;

and (iii) collaboration with a researcher to ensure suitable methodologies for drawing statistically valid conclusions on performance.

- Monitor and report contributions to SDG/IFI programs. Several platforms for sharing information at global level are available under SDG and IFI frameworks, such as:
 - Voluntary National Reviews (VNRs) of Agenda 2030 prepared by countries should provide for CSO participation. Where they do not, CSOs have produced ‘[shadow reports](#)’ in parallel with the government.
 - The [Partnerships for SDGs Online Platform](#), a UN global registry of voluntary commitments and multi-stakeholder partnerships in support of the SDGs.
 - All IFIs provide space for stories and blogs from stakeholders.⁸⁴ Country offices have also set up regular dialogue platforms.
 - International NGO Initiatives provide other venues for reporting contributions to SDG16 such as the [TAP Network](#).
 - The UNDP’s [SDG16 Hub](#) is practitioner-driven and is intended to help people seeking knowledge on SDG16 and desiring to engage with others on the SDG16 agenda. It provides guidance and tools for reviewing national policies on SDG targets, including the fight against corruption.

RECOMMENDATION 3: Governments should encourage active CSO participation in the design and implementation of operations. Early indications from the VNRs submitted by many countries in 2017 indicate that CSOs are being engaged in a scattered and uneven manner. We recommend that governments institutionalize active civil society contributions to deliberations regarding SDG strategy, policymaking and programs including those for good governance and corruption. Where this is unlikely, CSOs should seek good governance champions in government where available for collaboration.

We endorse the call for accelerated stakeholders action by hundreds of CSO from around the world that are members of the [TAP Network](#). In particular we would like to highlight the actions contained in the [Rome Civil Society Declaration on SDG16+](#):

- “Scale up investments to civil society and grassroots approaches that respect their independence towards implementing the SDG16+ agenda by increasing global aid flows and the percentage of ODA, national budgets, and sector-specific funding, with a particular emphasis on the most fragile contexts, addressing human security needs, promoting access to justice and legal empowerment efforts, and putting the furthest behind first.
- Revise budgeting processes to provide overall support to SDG16+ priority areas, and ensure that these processes are inclusive and participatory.

- Create an “SDG16+ Challenge Fund” to help support civil society organizations working at the grassroots level to advance the ambitions of the agenda.
- Improve capacity building for civil society to address gaps around data collection, monitoring and spotlight reporting on SDG16, awareness raising, and inclusion in national Voluntary National Reviews, public policy and budgetary processes.
- Engage local and grassroots civil society that otherwise are difficult to reach and mobilize, buttressing existing civil society resources and tools to enable these local actors to support SDG1
- Ensure core, ongoing, and sustained financial support for CSOs to support capacity building for implementation.
- Recognize the critical role civil society can play in capacitating and strengthening the ability of Member States and other actors to implement SDG16+ commitments.
- Develop practical analytical and operational guidance on how SDG16+ can best foster impact for other SDGs.
- Create mechanisms to allow inclusive and participatory policy-making on all
- Integrate civil society and other stakeholders within the range of sustainable development activities - from planning and budgeting conversations to processes seeking social cohesion, lasting peace, and justice.
- Encourage and promote meaningful participation of civil society in national reporting processes and include its inputs into official government analyses.
- Create meaningful opportunities for civil society working at the local and grassroots levels, especially from the Global South, to engage and have a voice in key policy fora on implementing the 2030 Agenda.
- End persecution and harassment of civil society for engaging on SDG16+ issues and accountability mechanisms, such as the Voluntary National Reviews.
- Expand civil society space and create an enabling environment in which civil society can freely and safely operate and assemble, in line with the 2016 *UN Human Rights* in conflict- affected and fragile contexts.”⁸⁵

RECOMMENDATION 4: Governments, IFIs and other donors should adopt guidelines to fund grassroots level CSOs to implement more effective citizen/stakeholder engagement in the IFI funded projects. IFIs and other donors generally require stakeholder engagement in programs funded by them but fail to explicitly allocate funds for such activities. As a result, stakeholder engagement, particularly during implementation and monitoring, may not happen and potential benefits do not

materialize. IFIs should consider adopting the proposal recently put forth by the members of [TAP Network](#) to create an “SDG16+ Challenge Fund” to help support CSOs at grass roots level to advance the ambitions of SDG16 and IFIs citizen/stakeholder engagement policies.

We also suggest that IFIs adopt guidelines that require staff to explicitly budget funds for stakeholder engagement (about 1% is the suggested norm) and give priority to grassroots CSOs for designing and implementing such engagement. This is an indicative figure representing the need for a simple, explicit budgeting practice across the board to incorporate into all development activities. To the extent possible, budgets for third party monitoring should be provided separately from the project budget and the oversight of the project authorities, to avoid conflict of interest. We recommend that INGOs and private philanthropy organizations set up funding mechanisms to support CSO engagement in IFI funded projects.

RECOMMENDATION 5: International NGOs and foundations should take action to leverage opportunities opened by IFI stakeholder and CSO engagement policies. These policies have the potential, in addition to promoting development effectiveness, to: (a) open up space for civil society by promoting expanded CSO roles in designing and implementing stakeholder engagement in IFI-funded projects; and (b) create substantial business opportunities for CSOs by contracting them to work on stakeholder engagement. To take advantage of this potential, CSOs need the funding and skills to participate during the project identification and preparation phases of the project cycle with the objective of maximizing CSO roles and business opportunities. There is enormous potential for doing this but no incentives on part of government and IFIs teams working on project design and procurement plans.

We recommend that INGOs and private philanthropy organizations expand their funding for grassroots CSOs to expand their up-stream (to integrate greater CSO engagement in project design) and downstream (to monitor implementation of CSO engagement) in IFI-funded projects. This could be done by expanding direct CSO funding mechanisms as well as through trust funds established at IFIs. Specific suggestions that we offer include:

- Fund developing country CSOs to influence and monitor the design and implementation of stakeholder engagement plans in each of the hundreds of projects they finance each year worldwide.
- We recommend that the funding allocations for programs that are aligned with SDG and IFI governance should be substantially increased. This will help CSOs directly contribute to realization of these targets and complement government action. For maximum impact, such funding should be programmatic and could be provided in tranches linked to adaptive learning and intermediate results.

- IFIs are courting philanthropists, foundations and bilateral donors to contribute or set up trust funds with IFIs as trustees. Examples of existing trust funds are the Global Partnership for Social Accountability and the Partnership Fund for Sustainable Development Goals (SDG Fund), both established by the World Bank. Channeling money to CSOs through such trust funds has many advantages for donors. Among them are opportunities to leverage IFI funds, use the IFI convening power and access to government, IFI infrastructure for managing funds and supervising their use, and channeling funds to CSOs in countries that otherwise place restriction on foreign funds flow to local CSOs. We recommend that private philanthropists, foundations and bilateral donors collaborate with IFIs to set up funds, or windows within existing funds, for CSOs in developing countries to promote stakeholder engagement and good governance.

RECOMMENDATION 6: IFIs should be proactive in encouraging governments to engage CSOs in good governance goals. IFIs generally, and multilateral development banks (MDBs)^{iv} specifically, have important roles to play in promoting but under perform in engaging civil society to expand their contributions to good governance. IFIs have commendable policies for engaging with CSOs such as participation, citizen engagement, stakeholder engagement, collaboration with CSOs, access to information, safeguards, and social inclusion (see *Annex V: Comparison of MDB Policies, Procedures and Institutional Arrangements for Civil Society Engagement*).

However, IFIs do not monitor and report on number of CSOs they fund, the amount of funding allocated/awarded for CSO contracts and capacity building, and results and impact of CSO work. In contrast, they provide this information in detail for consulting firms and suppliers of goods. CSOs are lumped with consulting firms and asked to compete with them despite structural and other differences between for profit firms and non-profit CSOs.

On the positive side, IFIs have set up instruments to provide direct support for CSO capacity building. They have the capacity to set up multi-donor trust funds that include governments as well as private philanthropic foundations. However, IFIs have not set up any major trust funds to help CSOs promote good governance. They have the ability to nudge the governments to open up space for civic engagement through their policy advice and policy based lending.

We recommend a proactive effort by IFIs to ramp up CSO engagement in operations funded by them through the following actions:

^{iv} Multilateral development banks refers to: The World Bank Group, the Asian Development Bank, the African Development Bank, the Inter-American Development Bank and the European Development Bank.

- Identify elements of citizen and stakeholder engagement and anti-corruption action plans in projects that might best be implemented by, or in partnership with, CSOs. This would be especially useful in public service delivery projects and to monitor public expenditure in conjunction with programmatic budget and results based lending in weak governance environments.
- Include explicit provisions for CSOs to be contracted to help with stakeholder engagement, governance and anti-corruption plans.
- Make changes in financing facilities and business processes that would make it easier to contract CSOs.
- Assess country policies and systems for stakeholder engagement as part of country and sector assessments (systematic country diagnostic in case of the World Bank) and use dialogue with recipient governments to argue the case for providing a more enabling policy and legislative environment that will support more effective operationalization of IFI policies on stakeholder engagement and beneficiary participation.
- Expand the practice of Including prior actions in development policy lending and results based lending to open up civic space.
- Establish a system to monitor and report the number of CSOs funded, the amount of funding allocated/awarded for CSO contracts and for capacity building, and results and impact of CSO work.
- Expand support for capacity building on civic engagement for both CSOs and government officials

RECOMMENDATION 7: Donors Should Support CSO Networks and Coalitions. A CSO or community acting on its own may have limited impact. CSOs are far more likely to have impact if they pool together in their quest for change. Indeed, coalitions between different groups and at different levels (local, national, and international) have been shown to be effective in bringing about change and helping to achieve sustainability. Networks need dedicated funding and staffing to enable them to work as equal partners with the public sector and private sector.