



Final Draft - Demand for Good Governance Stocktaking Report

*Initiatives Supporting Demand for Good Governance (DFGG)
Across World Bank Group Sectors and Regions*

August 2008

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Abbreviations and Acronyms

AAA	Analytical Advisory Activities
AFPT	Africa Public Sector Reform & Capacity Unit
AFR	Africa
AFTU1	Africa Urban/Water Anglophone Unit
ANSA	Affiliated Networks for Social Accountability
CAS	Country Assistance Strategy
CDD	Community-Driven Development
COCPO	Oil, Gas and Mining Policy Division
COCSC	Oil, Gas and Mining Policy Strategy & Coordination Unit
CommGAP	Communication for Governance and Accountability Program
CPS	Country Partnership Strategy
CSO	Civil Society Organization
DECRG	Development Research Group
DFGG	Demand for Good Governance
DGF	Development Grant Facility
DM	Development Marketplace
DPL	Development Policy Lending
EAP	East Asia and the Pacific
EAPCO	East Asia and Pacific Central Operational Services Unit
EASPR	East Asia and the Pacific Poverty Reduction Unit
EASSO	East Asia and the Pacific Social Development Unit
ECA	Europe and Central Asia
ECSHD	Europe and Central Asia Human Development Sector Unit
ECSPS	Europe and Central Asia Public Sector Unit
EITI	Extractive Industries Transparency Initiative
ENV	Environment Department
ESW	Economic and Sector Work
ETWWA	Energy Transport & Water Department and Water Unit
EXTCD	External Affairs Development Communications Unit
EXTIA	External Affairs International Affairs Unit
EXTOC	External Affairs Operations and Communications Unit
FEU	Finance, Economics, and Urban Department
GAAP	Governance and Accountability Action Plan
GAC	Governance and Anti-Corruption
GDLN	Global Development Learning Network
HDNVP	Human Development Network Vice Presidency Unit
IEGKE	Independent Evaluation Group Unit
IFC	International Finance Corporation
IIFCL	India Infrastructure Finance Company Ltd
INDH	National Initiative for Human Development Support Project
INT	Department of Institutional Integrity
IP	Implementation Plan
ISAP	Institutional Strengthening Action Plan
KM	Knowledge Management
LCR	Latin American and Caribbean Region
	Latin America and Caribbean Operational Service Development Effectiveness Unit
LCSD	
LCSHD	Latin America and Caribbean Human Development Unit
LCSPS	Latin America and Caribbean Public Sector Unit
LCSSD	Latin America and Caribbean Sustainable Development Unit

LCSSO	Latin American and Caribbean Social Development Unit
LEGJR	Legal Justice Reform Unit
LEGOP	Legal Operations Policy Unit
LG	Local Government
MENA	Middle East and North Africa Region
MIGIE	Independent Evaluation Group-MIGA
MNADE	Middle East and North Africa Development Effectiveness Unit
MNSED	Middle East and North Africa Social & Economic Development Group
MNSSD	Middle East and North Africa Sustainable Development Department
NGOs	Nongovernmental Organizations
OPCFM	Operational Services Financial Management Unit
PAD	Project Appraisal Document
PEAP	Poverty Eradication Action Plan
PLA	Participatory Learning Action
PM&E	Participatory Monitoring & Evaluation
PMCs	Poverty Action Fund Monitoring Committees
PRMPS	Poverty Reduction and Management Public Sector Unit
PAD	Project Appraisal Document
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Papers
PSRL	Programmatic Social Reform Loan
PTF	Partnership for Transparency Fund
RECURSO	REndicion de CUentas para la Reforma Social (Accountability for Social Reform)
RGC	Royal Government of Cambodia
RTI	Right to Information
SAC	Social Accountability
SAR	South Asia Region
SASANET	South Asia Social Accountability Network
SASGP	South Asian Governance and Public Sector
SDN	Sustainable Development Network
SDV	Social Development Department
TA	Technical Assistance
TFEESD	Trust Fund for Environmentally and Socially Sustainable Development
TTL	Task Team Leader
UNDP	United Nations Development Program
UPPAP	Uganda Participatory Poverty Assessment Project
WBG	World Bank Group
WBI	World Bank Institute
WBIPR	World Bank Institute Poverty Reduction & Econ Management Division
WBISD	World Bank Institute Sustainable Development Department
WDR	World Development Report

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EXECUTIVE SUMMARY

Worldwide good governance is recognized as an essential requisite for sustainable development. The genesis of demand for good governance comes from the growing realization among practitioners and policy makers that engaging with citizens, communities, privates sector and civil society organizations is essential to improve governance and service delivery.

Governance is the manner in which the state acquires and exercises its authority for providing public good.¹ Good governance is fundamentally the combination of transparent and accountable institutions, strong skills and competence, and a fundamental willingness to do the right thing. These are the things that enable a government to deliver services to its people efficiently.² Good governance thus depends on interaction between stakeholders – leaders, political parties, bureaucracy, parliament, judiciary, private sector, civil society, media – and their interests; on capacity – human, technical, financial – of stakeholders to perform their role; and on incentives & accountability – rules & norms that provide incentives, rewards & sanctions to act in the public interest.

Demand for Good Governance (DFGG) or "demand-side" activities are made up of development approaches that focus on citizens as the ultimate stakeholders for better governance undertaking initiatives that strengthen citizen voice and capacity to participate in governance and accountability. Furthermore, these practices can be initiated by a wide range of actors (citizens, civil society organizations, communities, government agencies, parliamentarians or media), use diverse strategies (research, monitoring, planning, civic education, media coverage, coalition building), and vary according to the extent to which they are institutionalized, independent, collaborative or conflictive.

The World Bank Group recognizes this trend in its recently approved Governance and Anticorruption Strategy (GAC). The GAC strategy recognizes the crucial importance of strengthening and promoting constituencies outside the state executive – such as civil society, the media, parliament, local communities and the private sector for good governance. This commitment of the Bank for acknowledging DFGG as a necessary complement to more traditional supply side initiatives provides a major opportunity for scaling up and strengthening the demand-side for governance.

This stocktaking report was undertaken to identify and collect the breadth of DFGG activities for the World Bank Group as it builds its understanding of the areas where the institution can scale-up these activities. To this end, the report brings together the wealth of existing knowledge and innovative practices currently available to support DFGG, and puts forth a framework for organizing the DFGG efforts across the Bank. The report has indentified four core elements of DFGG efforts namely, transparency and information, participation and consultation, monitoring and oversight, and enhancing capacities. These elements are interlinked and have common activities and characteristics across regions and sectors. These are the building blocks required on both the demand-side as well as the supply-side at different stages to complement efforts towards better governance. Furthermore, the Bank supports these elements at three levels of involvement namely, at the community and local government level, sector level, and the national level.

The report also has identified entry-points – areas of development activities – through which the World Bank can initiative or mainstream DFGG elements at the local, sector, and national levels. These entry-points include national strategies, analytical advisory activities, and investment lending operations,

¹ Speech on Good Governance and Development—A Time For Action, Jakarta, Indonesia by World Bank President Paul Wolfowitz, April 2006. See at <http://go.worldbank.org/13LNL85QD0>

² See: Strengthening World Bank Group Engagement on Governance and Anticorruption (GAC) Strategy. 2007.

development policy operations, private sector interface, and direct support for civil society, media and learning networks.

Traditionally, the World Bank works with government actors (supply-side actors). Therefore, most activities facilitated by the Bank to strengthen and promote elements of transparency, participation, monitoring and capacity building across sectors and regions provide support to governments and public institutions. However, there are numerous initiatives within the Bank that enable mechanisms for multi-stakeholder engagement and capacity building and empowerment of non-state actors (demand-side actors).

Thus the experience to date within the World Bank demonstrates that there are already a great deal of activities supporting the demand for good governance. Most of the DFGG efforts are elements of larger operations spread across sectors and regions that are often dispersed, small scale pilot projects, and resource constrained, makes it difficult and cumbersome to scale-up and mainstream on these efforts. Some of the key observations of the stocktaking report are as follows:

- There is a wealth of existing DFGG practice across the institution.
- DFGG efforts cut across all sectors and regions.
- The approaches for strengthening DFGG are context specific and context driven.
- Good governance is everyone's business but in fact it is no one's business. There is no clear mandate on who in the Bank owns DFGG and how to work on integrating DFGG elements in policies and projects.
- The lack of incentive structures makes it harder to support DFGG throughout the institution.
- The lack of funding and instruments is a severe constraint to work on DFGG operationally.
- There is a great need for more lessons on "*what works*" and "*what does not work*" to scale-up DFGG work.
- There are no structured mechanisms for knowledge coordination and dissemination of '*who is doing what and how.*'
- And, finally, the World Bank is not a leader in DFGG efforts as compared to the initiatives being undertaken by the civil society and there is a good deal of practical knowledge to be learned from outside practitioners.

For the World Bank to effectively mainstream and strengthen DFGG in operations it should aim to address some overarching challenges including mainstreaming effective mechanisms for transparency, participation and consultation, supporting non-executive accountability institutions, and linking the supply and demand of local governance.

The report thus illustrates the broad array of how DFGG is being done across the institution, despite some critical challenges. There are plenty of good practice case-studies and tools that can be used as models for building an understanding of how to work on DFGG. The report concludes by underscoring that the various functions of the supply-side actors and the demand-side actors can together strengthen the work of both to enhance demand for good governance in Bank initiatives for effective and improved development outcomes for citizens.

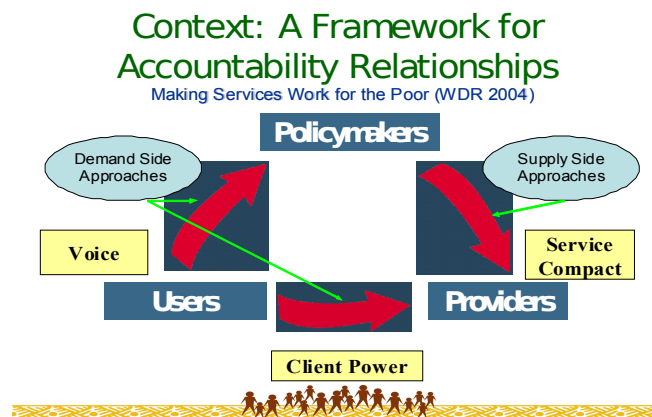
I. INTRODUCTION

The World Bank and Demand for Good Governance

Worldwide there is increasing acceptance by development practitioners and policy makers that citizen involvement is essential to promote better governance, improve service delivery, and foster empowerment. Evidence shows that governments can become more responsive and accountable to the poor and can deter corruption by providing spaces for greater citizen demand for state accountability, participation in decision-making and monitoring public services, programs and policies including expenditures.

The World Bank also strongly endorses the value of citizen voices, accountability relationships, private-public partnerships, and multistakeholder engagement to deliver effective development outcomes. These functions have been recognized as an integral component to empowerment, poverty reduction, and sustainable development in numerous World Bank reports and publications, namely in the 2001 World Development Report “*Attacking Poverty*”³, the World Bank Empowerment and Poverty Reduction Sourcebook⁴, the Social Accountability Sourcebook, Participation and Civic Engagement Sourcebook, and the Social Development Strategy 2005. Further, the 2004 World Development Report in many ways laid the foundations of accountability relationships. It argues that the key to making services work for poor people is to strengthen relationships of accountability between policymakers, service providers and citizens.⁶ According to the WDR 2004 framework (see below figure 1), successful service delivery requires relationships in which citizens can have a strong voice in policymaking with politicians and bureaucrats (voice), clients can monitor and discipline providers (client power), and policymakers can provide the incentives for providers to serve clients (compact).

Figure 1 – WDR 2004 “Making Services Work For Poor People” Accountability Framework



Moreover, in its recently approved Governance and Anti-Corruption (GAC) Strategy 2007, under guiding principle #5 on “Multi-stakeholder Engagement” (see below box 1), the World Bank recognizes the crucial importance of strengthening and promoting constituencies outside the state executive – such as civil society, the media, parliament, local communities and the private sector – to create citizen pressures for better governance, to develop coalitions for reform, and to catalyze change, particularly in challenging governance environments. The GAC Implementation Plan commits the Bank to specific actions to mainstream and scale-up support for transparency, civic engagement and social accountability (see below box 2). This strong recognition and commitment by the GAC mandate, reinforced by previous reports and strategies, of ‘demand for good governance’ (DFGG) as a necessary complement to more traditional supply side initiatives therefore provides the Bank a major opportunity for mainstreaming and scaling up existing good practice on the demand-side within the institution.

³ See World Development Report 2000/2001: Attacking Poverty at <http://go.worldbank.org/L8RGH3WLI0>

⁴ See Empowerment and Poverty Reduction: A Sourcebook 2002 at <http://www.worldbank.org/poverty/strategies>

Box 1 - Guiding Principle #5 for Strengthening World Bank Group Engagement on Governance and Anticorruption⁵

“Engaging systematically with a broad range of government, business, and civil society stakeholders is key to GAC reform and development outcomes—so, consistent with its mandate, the WBG will scale up existing good practice in engaging with multiple stakeholders in its operational work, including by strengthening transparency, participation, and third-party monitoring in its own operations”

Box 2 - Governance and Anticorruption Implementation Plan (IP) Commitment Areas⁶

The GAC IP commits itself to promoting country team engagement on the demand-side of governance:

- “Countries are supported to enable them to have a strengthened focus on demand-side drivers of accountability”
- “Building on past experience, ensure resources are available on terms suitable to support demand-side activities”
- “Provide guidance to staff on demand-side good practice and mandate issues vis-à-vis civil society engagement”

A wealth of practices

To date, the experience in the World Bank demonstrates that there is already a great deal of effort within the institution to support demand for good governance. It is common practice in operations to rely on participatory processes to identify investment priorities, promote transparency, citizen engagement and social accountability at the local, sectoral or national level. However, because these efforts are elements of larger operations and are spread across sectors and regions that are often dispersed, small scale and resource constrained i.e. they are often analytical processes or pilot projects supported by trust funds or other grants.

While all practitioners within the institution need to be aware of mechanisms to strengthen the state institutions and the non-state actors, the World Bank needs to put relatively more emphasis on the demand for good governance than it has done previously. Therefore, as a first step there is a great need now to collect and organize these on-going efforts within the institution to grasp the breadth and depth of ways that demand for good governance work is supported and strengthened across the Bank.

II. SCOPE AND APPROACH OF THE PAPER

Objective

This preliminary stocktaking report on the demand for good governance is an effort of the DFGG Peer Learning Network⁷ to bring together and highlight the wealth of existing knowledge and practices currently available to support DFGG across the World Bank. To this end, this report puts forth a framework with key principles for organizing the complex universe of DFGG efforts across sectors and regions. The paper also identifies entry-points – areas of development assistance – and illustrates a few good practice examples supporting and strengthening DFFG for the World Bank as it builds its understanding of the areas where the institution can scale-up these activities.

Approach

The primary approach of the stocktaking exercise - undertaken in mid-February 2008 to mid-May 2008 - was one-on-one conversations with World Bank Group staff and practitioners to grasp an understanding of the how DFGG work is being done across sectors and regions in the institution. Participants were asked to identify mainly operational activities supporting demand-side components in their work and highlight a few good practice examples, as well as to identify strengths and challenges in promoting this effort.⁸ The

⁵ See: Strengthening World Bank Group Engagement on Governance and Anticorruption (GAC) Strategy. 2007.

⁶ See: The Governance and Anti-Corruption Implementation Plan (GAC IP). 2007.

⁷ The Network is one of the main innovations to tackle issues of good governance from the demand side under the GAC Implementation Plan. It is coordinated by the CDD/LG team in the Social Development Department. The Network aims to bring together a community of practice from within and outside of the WBG to harness rich experience present across development sectors and organizations, and increase opportunities for exchanging knowledge, innovations and good practices among the diverse actors engaged in this work. See www.worldbank.org/socialdevelopment for more details about the Network.

⁸ Almost a hundred WBG staff members were contacted in the process. See Annex V for a complete list of people contacted. It should also be noted that no particular template was used to carry out this exercise. The DFGG framework presented in this report was primarily developed based on these discussions.

stocktaking also included a secondary literature review of other similar stocktaking's, various sectoral and regional analytical papers, policy and strategy notes, project documents, and other relevant materials.

It should be noted that there is already a good deal of work being done in the Bank to compile demand-side initiatives, existing and on-going WBG regional and sectoral stocktaking's on social accountability and governance that use different templates to identify and categorize such activities (see Annex V for references). This stocktaking is not an effort to reinvent the wheel; rather it is a contribution to this existing body of work.

Limitations

The report does not aim to provide a comprehensive inventory or an in-depth description of the many activities underway at the World Bank. Nor are the cases chosen to be fully representative of a given country, region, or sector. Moreover, it is beyond the scope of this report to provide an analytical guide to “*what works*” and “*what does not work.*” And, neither does it address the outstanding question of “*how much does the World Bank Group spend on DFGG?*”

This report identifies a wide-range of activities supporting DFGG, however, it is worthwhile to note some challenges in collecting information on these activities. The foremost challenge was that of the distinction in the use of the language of “supply-side” and “demand-side.” Most teams do not make a clear cut distinction between the two in their respective work. Further, since there is no existing agenda that necessitates Bank teams to work on demand-side efforts it is often difficult for teams to understand why and how these efforts deliver effective results, which as a consequence creates a barrier to identify activities and the know-how on integrating demand-side tools in their initiatives. Moreover, even though the governance agenda is everyone's business, it is in fact no one's business and there is very little overall interest in supporting good governance efforts let alone demand for good governance efforts. Finally, it was most challenging to identify examples in the technical sectors, such as infrastructure, transport, electricity, and human development due to lack of the know-how, and it was difficult to investigate Bank supported activities in the Africa region and Europe & Central Asia region. The latter section of the report provides a more detailed review of the overall findings of DFGG work across the Bank.

Structure

This paper constitute the following sections: an overview of the key DFGG elements in the organizing framework; entry-points for strengthening demand for good governance with case study examples; summary of key findings of the stocktaking; and finally, some challenges that the World Bank needs to address to mainstream DFGG operationally.

The annexes constitutes of the following parts: Annex I is a compiled list of notable demand for good governance activities supported by the World Bank identified in the stocktaking exercise and by World Bank Vice President Units⁹; Annex II provides a brief description of projects to show how the projects and/or elements within the projects support DFGG efforts; Annex III provides an overview of broad categories of tools and mechanisms supporting DFGG elements in activities; Annex IV provides a list of World Bank staff contacted and interviewed in the stocktaking exercise; and Annex V provides a list of references reviewed.

III. DEMAND FOR GOOD GOVERNANCE ORGANIZING FRAMEWORK

This section provides a conceptual overview of demand for good governance. Underscoring the fact that DFGG encompasses a broad array practices, it then draws out the key functional elements that make up the DFGG framework.

⁹ This exercise was under taken upon the request of the GAC Council to regional VPU's to present a few examples that illustrate their respective work on demand for good governance.

What is the demand for good governance?

To present an analysis on the demand for good governance framework, it is useful to first clarify what the term means.¹⁰ Conceptually, DFGG refers to *the ability and extent of citizens, civil society organizations, and other non-state actors to hold the state accountable and to make it responsive to their needs*. In doing so, *DFGG enhances the capacity of the state to become transparent, participatory, and accountable in order to respond to these demands*.¹¹

Therefore, DFGG or “demand-side” activities are made up of efforts that support better good governance by enhancing and building capacities of state and non-state institutions and supporting projects, programs and partnerships that promote, facilitate, mediate, respond to and monitor DFGG. In this manner, these activities enable to strengthen and link the work of both state (supply-side) and non-state actors (demand-side).¹²

It is important to emphasize the key implication that actors that strengthen DFGG can be both government and non-governmental actors. It is most often clearly understood how non-state actors, particularly civil society organizations, can promote access to information, participation, and monitoring mechanisms for DFGG. However, in the same way, a state run institution can disseminate information about government spending and programs, and engage citizens and provide feedback to the government, is also very clearly promoting demand. Similarly, vigilance commissions and ombudsman offices in line agencies also function as arbitrators of demand. Furthermore, the accountability to respond to the demands usually falls under the state executive body. Therefore, this implication underscores that the various functions of the supply-side actors (state executive/government) and the demand-side actors (civil society, media, private sector) can together strengthen the work of both to enhance demand for good governance. The point is that what matters in strengthening demand for good governance is not about whether the institution is a state body or a non-state body; it is about the function that it performs and what it does.¹³

While DFGG efforts within the World Bank encompasses a broad array of functions, there are four core elements that provide the basis for a DFGG framework underscoring the key functions that enable and facilitate conditions to strengthen DFGG.¹⁴ These include: (1) Transparency and Information, (2) Participation and Consultation, (3) Monitoring and Oversight, and (4) Enhancing Capacities. Further, the Bank gets involved in these functional areas at the community and local government level, the sector level, and the national Level. The table below underlines the four core elements and levels of involvement (See Table 1).

Defining the Core Elements of Demand for Good Governance

All four elements outlined above namely, transparency and information, participation and consultation, monitoring and oversight, and enhancing capacities - are interlinked to one another and collectively these elements function as the core principles of the DFGG framework. A clear and concrete understanding of these elements is useful to understand how they strengthen DFGG.

1. Transparency and (Access to) Information

Strengthening government transparency and public access to information are the foremost significant elements to support DFGG. The ability of citizens, civil society, and other non-state actors to demand better

¹⁰ It should be noted that there is no one way of defining DFGG. The concept of DFGG differs from person to person because the term is so closely linked to similar ideas namely, social accountability, participatory, democratic governance, etc.

¹¹ The DFGG concept used here shares the same definition used in the concept note of the Cambodia Demand for Good Governance project since it is the closest working definition that brings together the key elements of DFGG. The Cambodia DFGG project defines DFGG as: “demand for good governance is not just about ‘wanting’ better governance. It becomes ‘demand’ for good governance only when that want is backed by the ability to realize it – that is, when citizens are truly empowered.” It goes on to explain, “while social accountability looks at only the measures that civil society organizations and non-state actors can take in demanding accountability, *DFGG is something that is strengthened as much by state action and institutions* as well.” See the Cambodia DFGG Project Concept Note for more details.

¹² See: The Cambodia DFGG Project Concept Note

¹³ See: The Cambodia DFGG Project Concept Note

¹⁴ The criteria for selecting these elements is a result of the types of examples and activities identified and the summary of various discussions carried out in the stocktaking process. It should be noted that this is a preliminary working framework to present a framework for World Bank practitioners to think about ways to integrate demand-side efforts into their respective work.

Table 1: Demand for Good Governance Organizing Framework¹⁵

Activities Supporting DFGG Functional Elements at Different Levels of World Bank Involvement

Functional Elements	Level of Involvement		
	Community and Local Government	Sector	National
Transparency and Information	<i>Promoting and creating opportunities for access to, disclosure and dissemination of information and transparency norms</i>		
Participation and Consultation	<i>Encouraging and mediating opportunities for multi-stakeholders to input in policies, public spending, and project planning</i>		
Monitoring and Oversight	<i>Promote methods and incentives to hold actors to account by empowering and encouraging citizens and other stakeholders to effectively monitor and oversee programs and services</i>		
Enhancing Capacities	<i>Strengthen and enable capacities of civil society, public authorities, and the media to effectively participate in a multi-stakeholder debate of policies, projects, and services</i>		

Note: The rows indicate the functional elements – transparency and information; consultation and participation, and monitoring and oversight - and columns identify the level of involvement - community & local government, sector specific and national.

governance in most cases depends on their access to information, and the degree to which they can act effectively on this information. Without information there can be no effective understanding, participation or action.

Transparency is generally understood to mean openness of executive processes through which public decisions are made. It is evidenced by public policies, clear mandates, defined and clearly articulated planning and budgetary processes, presence of systems. Transparency can also reduce opportunities of corruption by increasing chances of exposure through open systems and procedures of accountability by the government to all stake holders.¹⁶ In short, transparency refers to the availability of information to the general public and clarity about government rules, regulations, and decisions.

Information is at the center of the relationship between government and the public it governs.¹⁷ Without information, the public cannot understand, let alone ask how and why decisions were made on their behalf.¹⁸ Therefore, information is crucial to transparency and accountability. Information dissemination mechanisms enacted by governments and civil society organizations can facilitate free flow of official information to the public. This flow is meant to keep the public informed of government activities and processes. In other words, information disclosure and dissemination is a step towards providing the public with an assurance that government is transparent in its operations and accountable for activities it does.¹⁹

¹⁵ Organizing activities within this framework helps to cast the methodical net wider in order to capture a greater range of WBG practices that aim to enhance transparency and information, citizen engagement, public voice and social accountability. Furthermore, these functions are significant at the national, sector, and local levels. Similarly, the various themes addressed by the WBG can be captured under the umbrella of this framework such as, public sector governance reform, justice for the poor programs, anticorruption action plans, procurement activities, media programs, information communications and technology initiatives, decentralization approaches, and social accountability approaches.

¹⁶ Social Accountability Sourcebook.

¹⁷ *Bank Group Policy on Good Governance*. Africa Development Bank and African Development Fund. November 1999.

¹⁸ See Cambodia DFGG Project Concept Note

¹⁹ Freedom of Information, Right to Information, and Access to Information acts, policies and laws are increasingly being adopted by many governments to provide public with an insight into its operations through opening up access to information.

In many cases, depending on the country context initial DFGG efforts may need to focus on promoting freedom of information, addressing a lack of political will to disclose information, or strengthening the technical capacity of public institutions to record, manage and make available information relevant.²⁰ Building credible evidence that will serve to hold public officials accountable often involves obtaining and analyzing both supply-side information from government and service providers and demand-side information from users of government services, communities and citizens. The transparency of government and its capacity to produce and provide data and accounts are essential for accessing supply-side information such as policy statements, budget commitments and accounts, records of inputs, outputs and expenditures, and audit findings. With regard to demand-side information, a wide variety of participatory methods and tools—such as community scorecards, citizen report cards, surveys, user groups, and other participatory techniques—have been developed, mostly by civil society organizations, to generate data while simultaneously serving to raise awareness and promote local-level mobilization and organization.²¹ The role of both institutionalized and independent media forms (press, telecommunications, and internet) in educating citizens and monitoring government performance is critical. In many countries, community radio can play a particularly important role in informing and giving voice to rural and/or illiterate populations.

Therefore, to strengthen the demand for good governance, one of the first steps is to encourage government at all levels to be transparent and accountable and provide the public with the information it manages and uses. Non-state actors, especially civil society and media organizations, have been playing a strong part in promoting transparency of public institutions and advocating for access to information. Access to the information by the public is important to good governance in that the public becomes informed of how governance is practiced on their behalf and can use the knowledge gained to effectively participate in governance.

Over the last decade have Bank initiatives promoted the access and use of public information as a strong means for social organizations and citizens, private sector actors, the media, and the parliament to monitor the government's work. The Bank's efforts have been focused in promoting the supply and demand sides of information at the local level through supporting legal regulatory frameworks for access to information, right to information and transparency policies. For example, in Bangladesh and India Bank programs are supporting and implementing laws of transparency, access, and right to information.²²

2. Participation and Consultation

The second interlinked DFGG element is participation and consultation. The GAC strategy recognizes participation and consultation as crucial instruments for multi-stakeholder engagement and good governance. The overarching element speaks to effective and meaningful participation of multiple stakeholders as agencies of change through various state and non-state social, economical, and political avenues.²³ Participation and consultation are critical for effective development outcomes and sustainability and can strengthen demand- and supply-side actors' capacities to effectively interact thus promoting demand for good governance.

Participation, as defined in the World Bank Participation Sourcebook, is a process whereby stakeholders exercise influence over public policy decisions, and share control over resources and institutions that affect their lives, thereby providing a check on the actions of government.²⁴ In the context of governance, participation is focused on the empowerment of citizens, and the interplay between a broad range of civil society actors and actions. It concerns the creation of an enabling regulatory framework and economic

²⁰ See Cambodia DFGG Project Concept Note

²¹ See Social Accountability Sourcebook.

²² South Asia region has introduced pilot projects to institutionalize social accountability approaches in CDD projects for example, the Bihar Rural Livelihoods Project at the local level and the India Maharashtra Rural Water Supply and Sanitation "Jalswarajya" Project at the sector level. At the sector level, more global initiatives such as the transport sector's CoST initiative and the environment group's transparency initiative through the Access Initiative also support transparency in governments and the right for the public to access budgetary information. More detail is provided in the section on entry-points.

²³ See Strengthening World Bank Group Engagement on Governance and Anticorruption (GAC) Strategy. Many past World Bank reports and publications have also repeatedly endorsed the value and effectiveness of participatory development practices in projects and policy design.

²⁴ See World Bank Participation Sourcebook

environment in which citizens (including women and indigenous groups) and private institutions can participate in their own governance, encourage consultations of non-state actors in decision-making processes of the state; and to generate legitimate demands and to monitor government policies and actions.²⁵

Thus, participation is a relation based on partnership with government, in which citizens, civil society, media, parliaments, and the private sector actively engage in the policy-making and planning process. Participation is about engaging and managing the interests of the range of stakeholders.²⁶ It involves information sharing, consultation for inputs, collaborative decision-making, and making partnerships to act together. However, there is no blueprint for participation because it plays a role in many different contexts and for different purposes.²⁷

Consultation could be defined as a wider continuous process of participation of all stakeholders in the decisions throughout the formulation and execution of a project leading to sustainable development for the population in the area.²⁸ In practice it is a tool for managing two-way communication between the planner and the public, in general, and the local community, in particular. Consultation should be understood as a means to achieve certain goals and not as a goal in itself. Its basic purpose is to improve decision-making, and build understanding, by actively involving individuals and organizations with a stake in the project. This involvement can increase a project's long-term viability and enhance its benefits to locally-impacted people and other stakeholders.²⁹

Stakeholder participation in World Bank-funded projects and programs can be a means for ensuring their long-term sustainability. Promoting participation helps build ownership and enhances transparency and accountability, and in doing so enhances effectiveness of development projects and policies. Thus far, most experiences with participatory processes in the context of Bank lending have taken place at the micro or project level (mainly through various trust funds, grants, and non-lending instruments). However, with a shift towards programmatic forms of support and policy based lending and the new operational policy on development policy lending (OP/BP 8.60),³⁰ there is a greater recognition of the need to promote participatory approaches at the macro or policy level, and some innovative experiences have emerged in recent years.³¹ Therefore, participation can play an important role at the project level, as well as at the programmatic and policy level.

To date, participatory processes in developing countries have tended to take place at the microeconomic or project level and have become increasingly innovative as methods become more established and sophisticated. Many attempts at community participation fail because organizations promoting involvement are unclear about the level of participation on offer. Limited consultation with few real options, which is presented as an opportunity for active participation is likely to produce disillusionment.³² However, positive examples of participatory and consultative mechanisms that have led to improvements in government programs and services do exist. Citizen and public participation in policy-making and planning processes, for example, can lead to the development of programs that better reflect citizen priorities and are better adapted to their needs.³³

²⁵ Social Accountability Sourcebook.

²⁶ *Bank Group Policy on Good Governance*. Africa Development Bank and African Development Fund. November 1999.

²⁷ *Bank Group Policy on Good Governance*. Africa Development Bank and African Development Fund. November 1999.

²⁸ Social Impacts of Oil and Gas Operations. Main Topics: Consultation and Participation. 2001 at <http://www.worldbank.org/ogsimpact/cpoverview.htm>

²⁹ Social Impacts of Oil and Gas Operations. Main Topics: Consultation and Participation. 2001 at <http://www.worldbank.org/ogsimpact/cpoverview.htm>

³⁰ See Operational Policies 8.60 - Development Policy Lending Manual at <http://go.worldbank.org/GJQLGIELW0>

³¹ Participation at Project, Program & Policy Level in the World Bank at the Participation and Civic Engagement group's website at <http://go.worldbank.org/HKL3IU1T21>

³² Participation at Project, Program & Policy Level in the World Bank at the Participation and Civic Engagement group's website at <http://go.worldbank.org/HKL3IU1T21>

³³ Social Accountability Sourcebook.

Participation and consultation processes are also applicable to the more formally institutionalized mechanisms, programs and initiatives within the state, which can also promote DFGG, that address the demands through innovations in service delivery with the private sector, creating incentive structures for broad participation in strategies, and engaging and empowering communities and local governments through community driven development and decentralization.

Participation and consultation are key ingredients of the demand for good governance in any program, initiative, project and partnership at various levels of involvement. These terms can vary from time to time in how they are defined but it is without a doubt that for empowerment and engagement of all stakeholders in any project, participatory methods must be effectively applied.

3. Monitoring and Oversight

The third element of increasing DFGG is the process of monitoring and oversight of the public sector by non-executive actors including the parliament, the media, citizens, and civil society. As mentioned above, monitoring and oversight functions are closely linked to access to information, participation and consultation in project design, planning, implementation and impact evaluations and assessments. Measuring the impact of any Bank project and pilot program is crucial for sustainability, replication, and long-term accountability³⁴ and therefore, in promoting the demand for good governance. The GAC Strategy also endorses multi-stakeholder engagement in efforts to promote mechanisms for public monitoring and oversight.

Monitoring refers to the regular collection and analysis of data on specific indicators to assist timely decision making, ensure accountability and provide the basis for learning. It is a continuing function that provides management and other stakeholders with valuable feedback on what is working, what isn't and why, and early indications of progress and achievement of objectives.³⁵ The concept of 'oversight' is generally conceived in terms of the implicitly proactive 'watch-dog' role to be played by an elected legislative assembly towards the activities and functions of the executive and administrative arms of government or as an informal watch-dog body/group that monitors the functioning of a local issues in the community.³⁶ Thus, monitoring and oversight can be seen as a key function of DFGG.

Furthermore, accountability to the public is reinforced by the presence of oversight institutions for increased detection of corruption and pervasiveness of greater transparency. Participatory practices based on knowledge, experience, aspirations and opinions of people in relevant situations of informed decision making processes are essential for fostering transparency and accountability and ultimately the demand for good governance.³⁷

Monitoring and oversight can involve the regular supervision and scrutiny of the public sector by non-state actors including parliaments, the media, and civil society. Monitoring and oversight mechanisms could take the form of participatory monitoring, such as using citizen feedback surveys of government performance, social audits, media investigations, etc.; independent budget and policy analysis such as social audits, media investigations; and formal oversight mechanisms such as parliamentary committees, independent watch-dogs, commissions; and informal oversight mechanisms. It is also necessary to take brief recognition

Note: Some cross-cutting examples on participation and consultation in the Bank's work include, the participatory approaches in the city development strategy for Alexandria, Egypt; slum upgrading program strengthened by incorporating participatory planning in its processes (Mexico DPL II); regular semi-annual consultation mechanism between the government and the private sector (Lao PDR PRSC I); establishment of a framework for community participation in primary and secondary education and for coordination of private, public and NGO health providers (Rwanda Institutional Reform Credit); the Employment Promotion Project, Serbia; the National Initiative for Human Development Support Project (INDH), Morocco; Poor Rural Communities Development Project, China; Rural Development Project, Romania; Self Reliance Programs for Women in Remote Mining Communities in the Mining Sector Institutional Strengthening Project in Papua New Guinea.

³⁴ Interview with a World Bank TTL.

³⁵ See Monitoring and Evaluation in Community Driven Development projects at <http://go.worldbank.org/HXSIGDKT00>

³⁶ *Enhancing Oversight in South Africa's Provinces: Institutions and Concerns*. African Security Review Claudie Senay and Dirk Besdzick. 1999. At <http://www.iss.co.za/Pubs/ASR/8No2/Senay.html>

³⁷ Social Accountability Sourcebook.

of the growing role of the private media as an ‘extra-political’ player that exercises significant oversight over the action or inaction of government.³⁸ These generate key information for the executive, civil society, and ordinary citizens that feeds back into the process of promoting DFGG.

In Bank initiatives, participation is also increasingly being recognized as an essential factor in the M&E process, since it offers new ways of assessing and learning from change that are more inclusive and more responsive to the needs and aspirations of those most directly affected. Participatory Monitoring & Evaluation (PM&E)³⁹ not only measuring the effectiveness of a project, but also builds ownership and empowers beneficiaries; builds accountability and transparency mechanisms; and takes corrective actions to improve performance and outcomes.⁴⁰

It is important to note that it is more difficult to promote third-party monitoring methods in Bank projects at the sector levels because of lack of local sector institutional mechanisms supporting this, the level of corruption in a given sector as well as the lack of supporting mandates and tools available in Bank projects. However, some good practices examples and tools do exist and are underway at the sector level to initiate third-party monitoring mechanisms in Bank funded operations.⁴¹ For example, the Ukraine People’s Voice Project supported the strengthening and promotion of community oversight mechanisms through participatory processes in the project planning, design and implementation phases.

4. Enhancing Capacities (Capacity Building)

One of the most critical elements in development is capacity building. Evidence shows that since the mid-nineties, capacity building has been accepted as an essential component for enhanced development effectiveness by strengthening local institutions, rules of the games, and incentives.⁴² The needs for capacity building are always changing.⁴³

Capacity building lies at the heart of the international development consensus. The United Nations Development Program (UNDP) defines capacity building as “the process by which individuals, organizations, institutions and societies develop abilities (individually and collectively) to perform functions, solve problems and set and achieve objectives, adding that, *UNDP recognizes that capacity building is a long-term, continuing process, in which all stakeholders participate (ministries, local authorities, non-governmental organizations and water user groups, professional associations, academics and others.*”⁴⁴ The World Bank has similarly defined “capacity” (as opposed to the activity of capacity building) as “the combination of people, institutions, and practices that permits countries to achieve their development goals.”⁴⁵ Moreover, the World Bank recognizes that the objective of aid assistance is to help boost the ability of developing countries to achieve their development goals by building their capacities.⁴⁶

³⁸ See Participatory Monitoring and Evaluation in Participation and Civic Engagement at <http://go.worldbank.org/G966Z73P30>

³⁹ PM&E is a process through which stakeholders at various levels engage in monitoring or evaluating a particular project, program or policy, share control over the content, the process and the results of the M&E activity and engage in taking or identifying corrective actions. PM&E focuses on the active engagement of primary stakeholders. See <http://go.worldbank.org/G966Z73P30> for more details.

⁴⁰ See Participatory Monitoring and Evaluation in Participation and Civic Engagement at <http://go.worldbank.org/G966Z73P30>

A few Bank projects have developed PM&E processes in their implementation processes such as, Uganda Poverty Action Fund, Palestine NGO III project, etc. It is worth noting that the World Bank’s Independent Evaluation Group (IEG) has been promoting participatory M&E approaches engaging local governments, civil society organization, communities, and citizens. IEG has a helpful handbook on tools, methods and approaches for M&E processes. IEG Evaluation Tools include participatory methods for incorporating broader stakeholder assessments: Stakeholder analysis, Beneficiary assessments, Participatory M&E. For more information, see <http://ieg.worldbank.org/index.shtml>

⁴¹ See Participatory Monitoring and Evaluation in Participation and Civic Engagement at <http://go.worldbank.org/G966Z73P30>

⁴² See Capacity Development in Practice at <http://go.worldbank.org/EQ9O54D7M0>

⁴³ “Capacity Building”: *A New Way of Doing Business for Development Assistance Organizations.*

Policy Brief. Institute On Governance. Schacter, Mark. January 2000 at <http://iog.ca/publications/policybrief6.pdf>

⁴⁴ *Capacity Development.* Technical Advisory Paper 2. United Nations Development Program. 1997.

⁴⁵ *Partnership for Capacity Building in Africa. Strategy and Program of Action.* The World Bank. 1996.

⁴⁶ See Capacity Development in Practice: Defining capacity is complex at <http://go.worldbank.org/UJ6ERYJU80>

Capacity development is thus a gradual process, with the country taking the initiative to tailor interventions to meet its needs by investing and building on human capital and changing and strengthening institutional practices.⁴⁷

It can be argued that in principle, development assistance has always been about capacity-building and majority of the World Bank's work has been about building capacity of governments and state institutions.⁴⁸ The Bank's experience has shown that focusing on policies and institutions, country ownership of the development process, role of private sector, partnerships, knowledge and learning is more useful than just physical investments in building capacity.⁴⁹

Furthermore, capacity building in communities is an important objective, but needs to be preceded by mobilization of community capacity that already exists but becomes evident only when communities are empowered. Empowering communities means that communities should have voice, decision-making powers, and access to resources.⁵⁰ The World Bank Institute has been supporting capacity building efforts within the Bank for a really long time. It has supported formal organizations, such as a government agency or an NGO, or informal such as people's cooperatives, network of associations, and business or professional groups.

Some of the Bank's activities that lead to capacity development are technical assistance, training, training of trainers, organizational or institutional reorganization, improved access to information, and establishment of partnerships, communities of practice, help desk, study trips, and improved material conditions such as purchase of computers.⁵¹ Although the Bank supports a lot of capacity building efforts; it does not apply the same rigorous practices to its capacity building work that it applies in other areas. Its tools, notably technical assistance and training, are not effectively used, and its range of instruments is not fully utilized.⁵² Therefore, the Bank needs to do a more careful analysis of capacity building mechanisms and instruments for strengthening demand for good governance.

This section has briefly defined the key elements of DFGG that are critical ingredients in strengthening governance and enhancing development outcomes in World Bank supported programs and projects.

Demand for Good Governance Levels of Involvement

The levels of involvement represent the different stages at which the World Bank intervenes with client countries. The levels also reflect the Bank's interest in working with the various stakeholders at each of these levels for collaboration and cooperation to enhance development outcomes and improve service delivery. The Bank's efforts promote elements of transparency and information, participation and consultation, monitoring and oversight, and capacity building at three levels of involvement namely, at community and local government level, sector level and national level. Working at these three levels creates an opportunity for the Bank to strengthen DFGG with state and non-state stakeholders as well. The World Bank intervenes at these levels through various strategies and approaches in its operations. The Bank's involvement at these three levels is also inter-related, especially if the decentralization approach is undertaken at a national or sector government level.

This section in a few words explains how each of these levels has a crucial role in strengthening DFGG work across the World Bank. Further illustration of how the Bank works at these different levels of involvement is also reflected in the following section.

Involvement at the Community/Local Government, Sector and National Levels

⁴⁷ See Capacity Development in Practice at <http://go.worldbank.org/EQ9O54D7M0>

⁴⁸ "Capacity Building": A New Way of Doing Business for Development Assistance Organizations. Policy Brief. Institute On Governance. Schacter, Mark. January 2000 at <http://iog.ca/publications/policybrief6.pdf>

⁴⁹ Annual Review of Development Effectiveness. The World Bank. 2003.

⁵⁰ See Capacity Development in Practice: Perspectives & Definitions at: <http://go.worldbank.org/U7WIN8DE00>

⁵¹ See Capacity Development in Practice: Perspectives & Definitions at: <http://go.worldbank.org/U7WIN8DE00>

⁵² Annual Review of Development Effectiveness. The World Bank. 2003.

The role of local government (LG) is critical to understand the demands for citizens and civil society as well as for local economic development. It is most often the pillar of local development. Actions of local government's strengthen communities and community engagement can improve local government's performance on multiple levels. The relationship between community-based organizations (CBOs) and local government enhances the utility of both. CBOs help citizens to connect more constructively with larger processes of markets and state whereas LGs can be well grounded and organically linked with the citizens they serve.⁵³

Local government's legitimacy is based on the principle as that of national government - it acts in trust on behalf of the interests of its people. Its comparative advantage in the promotion of good governance lies in its proximity to the people. It is better placed than national government to understand and act on the demands and needs of its citizens. LG have a greater ability to mobilize a number of stakeholders behind a common strategy for enhancing demand for good governance. It has a crucial leadership role to play, which, if carried out successfully, will ensure continued and enhanced support from the citizens. Strengthening DFGG at the local level can thus form the basis for implementing broader national reforms serving both the government as well as the people.

Majority of the Bank's work around local governance is supported by pilot initiatives that focus on strengthening and building capacity of formal and informal institutions at the local and community levels. These initiatives strengthen the capacity of institutions and communities to participate in decision-making processes as well as engage in local development. Furthermore, most of the Bank's efforts at this level fall under community driven development, decentralization, city development and slum upgrading strategies, and others. These are also effective at the sector level. The Bank projects build capacity of local governments to broaden their decision making towards local governance and economic development. This involves other stakeholders in the society including communities, civil society, and local business associations, and local media groups.

At the sector level, opportunities for interventions are often more immediate because countries are better equipped to address demand good governance issues at this level. At the sector level, the emphasis is on identifying and integrating opportunities to improve development effectiveness. DFGG can thus be seen as the facilitating mechanism to achieve development outcomes through, for example, improved service delivery.

Initiatives supporting DFGG are spread across a broad array of sectors. These include water and sanitation, agriculture, forestry, transportation, law and justice and public administration, energy and mining, health and other social services, information and communication, education, and the financial and private sector, etc. It is worth noting that demand-side elements are also incorporated in the World Bank's sector strategies such as the Yemen water sector strategy includes a component of creating and implementation an anticorruption action plan focusing on elements of transparency, community participation and consultation, and mechanisms for third-party monitoring. Thus, the DFGG elements are most often components of larger sectoral initiatives and strategies. Moreover, the sectors support to demand-side in general (access to information, media), support demand-side interventions along the project cycle and/or support a type of demand-side activity (qualitative inputs, access to information, delivering services, scorecards to assess impact, social monitoring).

At the national level, the World Bank gets involved with client country governments in different ways to facilitate dialogue and actions strengthening DFGG. It is at this level where the Bank's comparative power can leverage development policies and strategies of a country to incorporate DFGG elements. The Bank also promotes DFGG elements in country assistance strategies, through programs, development support credits, and through larger national plans. Furthermore, there are many different themes addressed as the national level. These include, access to information laws, right to information acts, national development good governance frameworks, national forums on social accountability mechanisms, national and regional justice consultations, national social action funds, etc. In projects, the Bank intervenes around issues of public financial management to increase greater transparency mechanisms, participatory budgeting,

⁵³ See Community Driven Development at the World Bank at <http://go.worldbank.org/24K8IHVVS0>

strengthening capacity of parliaments and judiciaries, national procurement, national reform programs, national media programs, and training and capacity building. Pilot initiatives at the sector and local levels can be scale-up into national systems and strategies for long-terms sustainability of initiatives. Furthermore, mainstreaming DFGG at the national level requires moving beyond strategies and into policy-based lending. The World Bank’s development policy loans (DPLs) provide a great opportunity for mainstreaming DFGG at the national level.

IV. POSSIBLE ENTRY POINTS FOR STRENGTHENING DEMAND FOR GOOD GOVERNANCE

Entry-points are areas of development activities through which the World Bank can initiate or mainstream the demand-side process at the local, sector, and national levels. Identification of entry-points to strengthen DFGG efforts in the Bank’s work is central to the discussion in this report. The Bank can intervene in a variety of different ways and at a number of different levels to promote DFGG, both with state and non-state institutions, for which different tools and mechanisms are used. These tools and mechanisms involve citizens, CSOs, private sector associations, media, parliaments and judiciaries as well as government agencies at different stages of project and policy planning, budgeting, implementation, and monitoring under a specific activity. Therefore, these tools empower non-state actors and state actors to strengthen the demand for good governance. (See Table 2 for a broad list of tools and mechanisms used in different projects that support DFGG efforts.) Entry-points for DFGG work in the World Bank include:

1. National Strategy
2. Analytical Advisory Activities
3. Lending Operations (investment lending operations)
4. Development Policy Loans
5. Private Sector Interface
6. Direct Support for Civil Society and Media, and Learning Networks

This section illustrates a few entry-points corresponding to the Bank’s work on DFGG with showcasing good practice examples.⁵⁴

Table 2: Broad Categories of Tools and Mechanisms⁵⁵

This table provides a quick overview of the mechanisms and approaches used in activities highlighted in some examples in Annex I.

Functional Elements	Broad Categories of Tools and Mechanisms	Examples
Transparency and Information	<i>Promoting and creating opportunities for access to information and transparency norms</i>	
	Citizens rights campaigns	Peru PSRL II
	Community outreach and ad hoc user meetings	India Maharashtra Rural Water Supply and Sanitation
	Disclosure boards	Bangladesh Public Procurement Reform Project
	Implementation of transparency and information laws	Bangladesh DSC III; Peru PDCSAL I
	Improved public access to information	Indonesia Corruption and KDP
	On demand information provision	India Orissa State Roads Project
	Publication of performance data	Sierra Leone ERRC II
	Social Contracts	Paraguay Roads Project
Participation and Consultation	<i>Encourage and mediate opportunities for multi-stakeholder stakeholders participation and inputs</i>	
	Citizen Councils	Mongolia Sustainable Livelihoods Project
	City Development Strategies	Egypt Alexandria City Development Strategy
	Consultation workshops	Africa Regional Justice Strategy
	Multistakeholder Commercial Dispute Resolution	Tanzania PRSC III
	NGO Code of Conduct	West Bank Palestinian NGO Project III
	Public education to improve budget literacy	Brazil Porte Alegre Participatory Budgeting
	Semi-Annual Consultations	Lao PDR PRSC I
Structured consultation processes	Papa New Guinea Mining Sector Institutional Strengthening	

⁵⁴ There are other entry-points for supporting DFGG across the Bank. This list is by no means exhaustive of the Bank’s work. It should be noted that the examples highlighted below illustrate a few good practice activities of how Bank projects, programs, and partnerships support DFGG efforts and provide a way to think about how to mainstream and scale-up DFGG through existing and innovative entry-points. The cases also show the slowly growing innovation in Bank programs and partnerships towards enhancing DFGG through non-state institutions, namely, civil society, media, and the private sector. (For a compiled list of stocktaking examples and brief descriptions, see Annex I and Annex II)

⁵⁵ For a detailed list of tools and mechanisms refer to Annex III.

Functional Elements	Broad Categories of Tools and Mechanisms	Examples
Monitoring and Oversight	<i>Promote methods and incentives to hold actors to account by empowering multi-stakeholders</i>	
	Citizen report cards	Ecuador PHDRL II
	Civil society oversight committees	Haiti Economic Governance Reform Operation I & II
	Community Score Cards	Andhra Pradesh Rural Poverty Reduction Project
	Doing Business Indicators	Ethiopia Economic Rehabilitation Credit
	Multi-stakeholder Service Provision	Bihar Rural Livelihoods Project
	Public Accounts Committee (PAC)	Pakistan Financial Reporting and Auditing I and II
	Social audits	Bosnia & Herzegovina Reconstruction Assistance to Republika Srpska
	User groups complaints mechanisms	Yemen Water & Sanitation Project
Enhancing Capacities	<i>Strengthen and enable capacities of multi-stakeholders to participate in project planning and decision making</i>	
	Capacity building of community radio stations	South Africa community radio program
	Coalition building	Honduras Education Sector Capacity Enhancement Program
	Community of Practitioners	South Asia Social Accountability Network (SASANET)
	Formation of networks of paralegals	Indonesia Justice for the Poor (J4P) Programs
	Participatory planning and budgeting	Bosnia Municipal Development Project
	School Self-assessment program/annual improvement plan	Cambodia Education Sector Support Project
	Training and strengthening capacity of journalists	Honduras Journalism Training on Transparency and Governance
	Training modules	SAR Regional Support for Education Training Modules

1. Entry-Point: National Strategy

Example: The Uganda Poverty Eradication Action Plan (PEAP)/Poverty Reduction Strategy

Demand-side related issues can also be raised in the context of policy dialogue, country development strategies, country discussions, and other development arenas. The World Bank provides advice on policy to client governments about creating an environment for transparency and accountability, creating mechanisms for enhancing DFGG, and linking demand-side efforts to broader public sector reform, anticorruption and service delivery agendas, through economic and sector work and other forms of country research and analysis. The Bank can also promote or facilitate participatory policy-making such as in the PRS process. It can also encourage and practice public information disclosure such as the implementation of RTI Act. Furthermore, the Bank can also encourage DFGG principles and practices in the context of country programming. Country Assistance Strategies increasingly include demand-side related analysis and recommendations.⁵⁶

The recent initiation of Country Governance and Anti-Corruption (CGAC) Process, which is a country-level process that identifies and helps unblock GAC impediments to country development goals and strengthens CAS design and implementation, are also used to promote and encourage demand-side governance principles. It is worth illustrating two CGAC examples briefly. In Cambodia the CGAC is strengthening domestic accountability for results Civil Society Assessment is helping Bank to engage civil society and private sector to monitor the implementation of Government's 5-year development strategy, and in Paraguay the CGAC is strengthening government capacity to engage civil society through the Community and Rural Development initiative, Bank is helping to build capacity in government to engage civil society more effectively, including through improvements in transparency and web-based communication.⁵⁷

There are plenty of other examples that can illustrate the importance of engaging demand-side actor in promoting good governance and effective development. This section focuses on the PRSP as an entry-point for demand good governance.

Poverty Reduction Strategy Papers (PRSP)

PRS processes are an entry-point for DFGG not only by the nature of their description but also by the actions and processes that a country must undertake while creating a PRS.⁵⁸ PRSPs are prepared by governments through a participatory process that involves civil society and development partners, including the World Bank and the International Monetary Fund (IMF). The core principles of a PRSP approach is

⁵⁶ See Social Accountability Sourcebook

⁵⁷ See presentation on Implementation of CGACs by Sanjay Pradhan, Director, Public Sector Governance. April 2008.

⁵⁸ A PRSP describe a country's macroeconomic, structural, and social policies and programs to promote growth and reduce poverty, as well as associated external financing needs.

that it should be country-driven, involving broad-based participation by civil society and the private sector in all operational steps; results-oriented, focusing on outcomes that would benefit the poor; comprehensive, in recognizing the multidimensional nature of poverty and the scope of actions needed to effectively reduce poverty; partnership-oriented and participatory, involving coordinated participation of development partners (bilateral, multilateral, and non-governmental); and based on a long-term perspective for poverty reduction.⁵⁹

Participatory processes in PRSPs, including information dissemination, dialogue, collaboration in implementing programs, and participatory monitoring and evaluation, are most effective when they are designed to be outcome-oriented.⁶⁰ The ultimate outcome of a PRSP is not the paper but public and community actions to reduce poverty.⁶¹ Therefore, PRSPs are a good entry-point for strengthening DFIGG within client countries through Bank technical assistance and advice.

Example: The Uganda Poverty Eradication Action Plan (PEAP)/Poverty Reduction Strategy

The Uganda PRS experience highlights a landmark in good governance and anticorruption processes. It has achieved successful outcomes and improved governance through cross-cutting reforms in public service, public procurement using measures of transparency, participation, anticorruption, and monitoring and evaluation. The Uganda PRS allows for employing tools for engagement of citizen, CSO, and local government in accessing and monitoring national budgets. Furthermore, the strategy has also created opportunities for citizens and CSO engagement in planning and implementing projects, which as a result ensures efficient and recognizable use of public resources.

Since 1997, Uganda has been implementing the Poverty Eradication Action Plan (PEAP). The PEAP is Uganda's home-grown medium-term development plan to guide government policy and the development of sector and district plans. The overarching goal of PEAP is to reduce poverty to 10 percent or less by 2017. It is also the Poverty Reduction Strategy Paper (PRSP), guiding the formulation of Government policy and the implementation of programs through sector-wide approaches and a decentralized system of governance. Specific goals include achieving universal access to primary education, primary healthcare, and safe drinking water. The Uganda PEAP was developed through a participatory process involving civil society and development partners, including the World Bank and the International Monetary Fund (IMF).⁶² The four pillars of the PEAP include growth and economic transformation, governance and security, increasing incomes of the poor, and improve quality of life of the poor.⁶³ One of the key pillars of the third PEAP includes a strong component of good governance.

Uganda was unique, in that it established a PRSP before there was a PRSP.⁶⁴ By having this poverty reduction plan already established, Uganda began the process better positioned for successful results. The PEAP enabled the country to separate its poverty reduction goals from the donor conditions for the debt relief embedded in a typical PRSP. The PEAP has been more effectively mainstreamed institutionally than most PRSPs as a result of the strong political commitment to the strategy. Participation in the PEAP has also been institutionalized through the poverty reduction working group in the government. As a result, the PEAP and key planning and budgeting arrangements have been relatively well linked, increasing the accountability and transparency for the PEAP.⁶⁵

It is significant to note that the PRSP process has altered the expenditure mix in Uganda towards programs and projects focused more on poverty. The Uganda PRSP process forces sectors to justify their policies

⁵⁹ See PRSP at the World Bank website - <http://go.worldbank.org/YUD38XTT50>

⁶⁰ *Accountability in Poverty Reduction Strategies: The Role of Empowerment and Participation*. Social Development Papers. Eberlie, Walter. May 2007.

⁶¹ See PRSP at the World Bank website - <http://go.worldbank.org/YUD38XTT50>

⁶² See Ministry of Finance, Planning, and Economic Development website at <http://www.finance.go.ug/peap/about.html> and “*Uganda Poverty Status Report, 2003*” by the Ministry of Finance, Planning, and Economic Development.

⁶³ See The Uganda Poverty Eradication Action Plan (PEAP) at the world bank website at <http://go.worldbank.org/KG9Q84BQE0>

⁶⁴ “*Uganda Poverty Status Report, 2003*” by the Ministry of Finance, Planning, and Economic Development.

⁶⁵ “*Uganda Poverty Status Report, 2003*” by the Ministry of Finance, Planning, and Economic Development.

more in terms of the poverty focus, and local government spending is being restricted to certain types of expenditures focused on poverty (for example, primary school books and so on).⁶⁶

The efforts to build a coherent and effective PRS monitoring system started earlier in Uganda than in most other PRS countries. Because Uganda's system is generally more advanced than others, important lessons learned in the monitoring process in Uganda can help other countries. One of the key lessons coming out of the Uganda experience is that monitoring arrangements can better serve in the promotion of the commitment of a country to and accountability for poverty reduction policies if they are closely related to a maturing budget process.⁶⁷ It promoted transparency and accountability mechanism from the start rather than in stages of planning.

In terms of monitoring, NGOs have a wide range of independent M&E activities, which gives occurrence to the extensive NGO involvement in the Ugandan Participatory Poverty Assessment Process, as well as in district Poverty Action Fund monitoring. In addition, the other government agencies also use participatory processes to design some of its surveys.⁶⁸

The overall status is that the system is relatively advanced having been developed on a solid, high-level foundation, and the initial steps were promising for several reasons. The monitoring system is considered by many to be a leader in institutional innovation. First, reporting on poverty and the implementation of poverty reduction activities predates the requirements linked to the PRSP initiative, for instance, through the PEAP biannual poverty status reports and the background to the budget are published. A second factor is the development of a rational budget process, which has produced domestic pressure for evidence-based policy. Finally, Uganda has a relatively strong practice of collecting and analyzing data on poverty based on regular household surveys, public expenditure tracking surveys, the monitoring of the Poverty Action Fund by nongovernmental organizations (NGOs) at the local level, and participatory poverty assessments.

The efforts to build the capacity of stakeholders, particularly Parliament, have also been increased to ensuring that data and analysis are disseminated in formats relevant to various stakeholders are important for the development of a successful system. For instance, the strengthening of Parliament's role in reviewing budget allocations and disbursements in a results-oriented perspective has been recently increased through capacity building initiatives.⁶⁹

A number of tools have been developed and used over the last years and lessons are beginning to emerge. Monitoring of the Ugandan PEAP implementation is carried, inter alia, by a participatory designed structure, UPPAP. Furthermore, societal Poverty Action Fund Monitoring Committees (PMCs) were installed by NGOs at district level to improve institutionalization of local level monitoring. These consisted of nine to eleven NGO representatives, community based organizations, women's organizations, and religious organizations. A few other countries have at least worked with a participatory approach to impact monitoring, however, with the exception of the UPPAP, hardly any mechanism can be found linking poor people frequently to policy making.⁷⁰

Uganda Poverty Reduction Support Credits

⁶⁶ See Ministry of Finance, Planning, and Economic Development website at <http://www.finance.go.ug/peap/about.html>

⁶⁷ *Poverty Reduction Support Credits in Uganda: Results of a Stocktaking Study*. The World Bank Africa Region. Miovic, Peter. June 2004.

⁶⁸ "Uganda Poverty Status Report, 2003" by the Ministry of Finance, Planning, and Economic Development.

⁶⁹ *Accountability in Poverty Reduction Strategies: The Role of Empowerment and Participation*. Social Development Paper. Eberlei, Walter. May 2007.

⁷⁰ *Accountability in Poverty Reduction Strategies: The Role of Empowerment and Participation*. Social Development Paper. Eberlei, Walter. May 2007.

The Bank has developed three Poverty Reduction Support Credits (PRSCs)⁷¹ for Uganda to date to implement the country's poverty reduction strategy. Uganda pioneered the use of budget support operations through PRSCs for implementing the PRSP in the World Bank.⁷²

The objective of the Uganda reform program supported by PRSC was to improve public service delivery, because weak public sector performance is one of the main constraints to economic development and poverty reduction. The reform programs supported activities that improve access to and quality of education, health, water and sanitation, and rural services, aiming to raise quality of life and incomes of the poor. Since increasing access to and quality of these services requires more broad-based action than merely addressing sector-specific constraints to their delivery, the program focused heavily on activities to enhance efficient and equitable use of public resources and promote good governance.⁷³

Overall, the PEAP and PRSC processes have led to a substantial sharpening of the overall vision of development and its main strategic components that Uganda is to follow, helping both focus the allocation of resources, increasing the efficiency of basic service delivery, and improving the coordination of the type of cross-sectoral efforts needed for poverty reduction in its various dimensions.⁷⁴

2. Entry-Point: Analytical and Advisory Activities

Example: Peru RECURSO (Accountability for Social Reform) Project

The World Bank's analytical and advisory work that is carried out for client countries is also an essential part of the Bank's contribution to development. Analytic and advisory activities (AAA) provide the groundwork for defining strategic priorities and informing policy dialogue and decisions on projects and programs. AAA activities comprise of Economic and Sector Work (ESW), Non-lending Technical Assistance (TA), Knowledge Management (KM) as well as Aid Coordination, Country focused research, Client Training and Research Services.⁷⁵

A lot of demand-side efforts are supported by various ESW and Technical assistance (non-lending) (TA) activities. ESW is a key component of the World Bank's analytical work that refers to activities that involve analytical efforts with the purpose of influencing policies and programs in client countries and comprise formal and informal studies of critical issues at the country level or for specific sectors. ESW work most often provides a basis for lending and investment operations. Some of the major ESW categories include: country diagnostic reports, country advisory reports, regional reports, and other products (such as policy notes, conferences). ESW is also a critical instrument for building institutional capacity, particularly when it is carried out with local partners.⁷⁶ Therefore, in many ways AAA activities can be an initial point of entry to understand the specific conditions of how DFGG efforts can be facilitated and supported in a given country and/or sector (identify the needs of a citizens, sector, and country).

For TA to qualify as TA, an activity must (i) have the primary intent of enabling an external client to implement reforms and strengthen institutions; (ii) be freestanding (that is, not comprise an essential part of

⁷¹ PRSCs are a series of annual programmatic structural adjustment credits to support implementation of a country's poverty reduction strategy with clear performance benchmarks, including results indicators and policy measures within the areas of the Bank's primary responsibility

⁷² The first PRSC for Uganda was approved by the World Bank Board in May 2001, the second (PRSC2) in July 2002, the third (PRSC3) in September 2003, and PRSC4 started in 2004. In the case of Uganda the PRSCs were designed as a series of annual credits supporting a three year rolling program of reforms, based on Uganda's PRS. The PRSCs have been significantly co-financed by other donors in the form of grants which like the World Bank credits.

⁷³ *Poverty Reduction Support Credits in Uganda: Results of a Stocktaking Study*. The World Bank Africa Region. Miovic, Peter. June 2004.

⁷⁴ *Poverty Reduction Support Credits in Uganda: Results of a Stocktaking Study*. The World Bank Africa Region. Miovic, Peter. June 2004.

⁷⁵ For more information on AAA, refer to <http://go.worldbank.org/GOXA4G34K0>

⁷⁶ For more information on ESW, refer to <http://go.worldbank.org/Q6PGVPEMV1>

a lending project or economic and sector work); and (iii) be linked to a World Bank unit with clear accountability for the service provided is one of the World Bank's analytical work.⁷⁷

Example: Peru RECURSO (Accountability for Social Reform) Project

The Peru RECURSO project is a good example of an ESW, which was undertaken with strong client engagement and local partners. In Peru, the World Bank intervened upon the request of the Prime Minister in the mid-2000's. The Bank intervention began with a AAA in 2005 to focus on figuring out why the quality of services in Peru was not improving while the rules of transparency and rules of accountability in Peru were being implemented. It then continued with a cluster of activities jointly known as RECURSO – the Spanish acronym for Accountability for Social Reform (REndicion de CUentas para la Reforma Social).⁷⁸

The main objective of RECURSO Peru was to foster a debate about the need for greater accountability in the social sectors during the run-up to the presidential elections and to provide the incoming government with a diagnostic of the main problems that need to be overcome to improve education, health care and anti-poverty programs, and make relevant recommendations.⁷⁹ These objectives were achieved successfully.

RECURSO produced a substantial amount of analysis and concentrated efforts to both disseminate this information and to engage with many different stakeholders at all stages of the process. The key recommendations of RECURSO were included in the programs of all four political parties - they even used the language and numbers produced by RECURSO.⁸⁰ Furthermore, a key recommendation was that stakeholders should be provided with standards or other instruments that would allow them to understand and demand quality. In order to illustrate how this could be done, RECURSO produced a number of instruments targeted to the general public and more specifically to the parents of poor children. This included two videos, one on education and another on nutrition, a radio theater series, and numerous brochures and posters; many of these have been produced in Spanish, Quechua and Aymara. The videos in particular had a strong impact on public opinion.⁸¹ The education video, for example, shows children struggling to read and not being able to explain what bad quality of education is. The nutrition video highlights the importance of good quality nutrition support programs in villages that reduce the probability of malnutrition among children. It explains how and what parents should know about the growth of their child. Private radio programs have developed communication campaigns based on the messages of the nutrition video. The videos have also been used as tools for advocacy in Bolivia, Ecuador, Nicaragua, and Guatemala, Mexico.⁸² And, currently, several NGOs and private foundations are using the RECURSO framework and youth NGOs are making agreements with mayors to work with the aim of improving the fluency of reading in their districts.

Furthermore, the RECURSO study had a huge impact on politics and policy, on Bank programs, and energizing the civil society. The new Country Partnership Strategy (CPS) includes an accountability cluster with various activities recommended by RECURSO. One of the new activities is a series of Results and Accountability DPLs with strong emphasis on targets, testing and management of parental expectations in education, nutrition and health. In addition, RECURSO evolved into a multi-year programmatic intervention that will accompany the Bank's program for the duration of the CPS.⁸³

⁷⁷ See more on TA at <http://go.worldbank.org/GOXA4G34K0>

⁷⁸ EN BREVE: Operationalizing accountability – Lessons from RECURSO – Peru. The World Bank LCR. Cotlear, Daniel. 2007.

⁷⁹ See RECURSO Project Appraisal Document.

⁸⁰ In December of 2006, the government implemented the first round of what came to be annual assessments for all second grade students and for all public school teachers; the opposition from the unions was overcome once opinion polls about the evaluation showed 80% approval rates in the general population and 90% approval rates among parents. See EN BREVE: Operationalizing accountability – Lessons from RECURSO – Peru. The World Bank LCR. Cotlear, Daniel. 2007.

⁸¹ The education video, for example, explains what bad quality of education is by showing children who cannot read. The video shows them struggling to read and not being able to. (www.bancomundial.org/pe/contratosocial)

⁸² The education video was used to motivate discussion in Mexico, Honduras, Bolivia, South Africa and India. The Nutrition video has been used as a tool to improve the visibility of chronic malnutrition and to create discussion in Bolivia, Ecuador, Nicaragua, and Guatemala, Mexico. Adaptations of the nutrition video to other countries are under way.

⁸³ EN BREVE: Operationalizing accountability – Lessons from RECURSO – Peru. The World Bank LCR. Cotlear, Daniel. 2007.

It is worth mentioning that RECURSO overcame the common challenges associated with engaging World Bank staff to work jointly on a task. It involved forty Bank staff, as authors of papers, team members and peer reviewers; it also involved seven sector managers from two sector management units. There was a consistent plan of engagement with stakeholders in Peru during the preparation phase. These included meetings with government officials, civil society organizations, sub-national authorities and donor organizations. Additionally, each team was expected to engage with Peruvian specialists not only through meetings and by commissioning papers, but also by making literature reviews of the Peruvian literature.⁸⁴

The Peru RECURSO project stands out as one of the best practice examples of a World Bank AAA program encouraging engagement with and participation of multiple stakeholders, through the AAA findings, aiming to improve the quality of education, health and nutrition services by strengthening accountability and access to information.

3. Entry-Point: Investment Lending Operations

The World Bank's lending portfolio projects also support demand for good governance efforts through various activities including public sector governance reform, judicial reform, sector reforms, etc. These activities have, however, been mostly designed as components of larger operations. Projects that give matters of governance their due priority and importance are still rare.⁸⁵ There is, thus, a need to tackle the issues of governance in a much more proactive, direct and integrated manner through investment lending.

Apart from its traditional application to capital investment projects, investment lending (IL) is an effective tool for institutional and skills development. Because IL involves a link between funding and specific expenditures, it is well-suited to country and sector situations where a sustained, concerted effort is needed to achieve development objectives through direct contact with middle management, technical, and field levels. IL is the source of much of the Bank's in-house technical expertise and its cross-national and cross-sectoral knowledge bases. IL by its nature takes a medium/long-term perspective on specific development objectives and embodies a commitment to work with front-line institutions over a period of years.

Given the nature of investment lending activities, they can enhance the conditions (and pre-conditions) for DFGG elements to be functional and applicable in client countries. For example, governance, decentralization, and public sector reform can support actions and reforms that lead to a more enabling environment and enhanced capacity for DFGG. The Bank can support the improvement or enhancement of mechanisms for DFGG in the context of community-driven development projects, social funds, and interventions in sectors important to poor people such as health, education, transport, and water and sanitation.⁸⁶ Lending operations specifically devoted to the enhancement of DFGG mechanisms across sectors and ministries can also be developed.

The World Bank Community-driven development (CDD) approach gives control of decisions and resources to community groups. Principally, CDD treats poor people as assets and partners in the development process, building on their institutions and resources. CDD has the potential to make poverty reduction efforts more responsive to demands, more inclusive, more sustainable, and more cost-effective than traditional centrally led programs. CDD fills a critical gap in poverty reduction efforts, achieving immediate and lasting results at the grassroots level and complementing market economy and government-run programs. With these powerful attributes, CDD can play an important role in strategies to reduce poverty, engage citizens as key stakeholders in development projects, as well as strengthen the demand for good governance.⁸⁷ For the last five years, there has been a consistent increase in the number of community-driven development operations supported by World Bank, which reflects its interest in supporting CDD and demand-side of governance.

⁸⁴ EN BREVE: Operationalizing accountability – Lessons from RECURSO – Peru. The World Bank LCR. Cotlear, Daniel. 2007.

⁸⁵ See Social Accountability Sourcebook.

⁸⁶ See Social Accountability Sourcebook.

⁸⁷ See Community Driven Development at the World Bank at <http://go.worldbank.org/24K8IHVVS0>

The examples below focus on investment lending operations at the national, the sector, and the community/local government level to illustrate investment lending as an entry-point for DFGG work across the World Bank projects.

3A. Investment Lending National

Example: The Cambodia Demand for Good Governance (DFGG) Project

The proposed Cambodia Demand for Good Governance project⁸⁸ in Cambodia has been repeatedly called the World Bank's first self-standing project devoted completely to developing demand side approaches to tackle governance issues, strengthening and linking the work of both state and non-state institutions. The DFGG project's proposed development objective is to promote good governance by building the capacities of institutions, and supporting programs and coalitions that promote, mediate, respond to or monitor demand for good governance.⁸⁹ The project components focus on all the elements identified in the DFGG framework and integrate both the supply-side and demand-side actors throughout the process.

The demand for this project arises from the country itself. The Royal Government of Cambodia (RGC) recognizes that good governance is a critical challenge in the country and wants to commit to strengthening good governance. Low standards of governance and endemic corruption are widely acknowledged as fundamental constraints on the economic and social development of Cambodia. Emerging from conflict, the country has limited capacity and accountability mechanism. Government policy documents, such as the *Rectangular Strategy 2004-2008*, the *Governance Action Plan*, and the *Decentralization and De-concentration Strategic Framework* reflect this recognition by the Government. The project recognizes that for these reforms to succeed, stimulating demand from citizens for greater accountability and better quality of services is crucial.⁹⁰ Therefore, the project is built on the notions that going forward improving governance in Cambodia will require interventions to strengthen both the supply and demand for good governance.

The proposed Bank Project has a unique and innovative design to build the capacities of state and non-state institutions, and to support programs and coalitions which promote, mediate or address demand for good governance in the context of the government's reforms. This, as the project aims, will result in more effective design, implementation and monitoring of key reforms, and more transparency, accountability and responsiveness of the state to citizens.⁹¹

The project includes the following principles in its design. First of all, the project design principles are focused on the 'good' rather than the 'bad.' Second, the project aims to work with 'reform champions' in the country. Three, the project will focus on institutions that exist already and that show promise. Four, it will recognize that DFGG can be strengthened by both state and non-state actors. Fifth, the project promotes the theme of a constructive engagement culture. And finally, the principles based on long-term sustainability are to keep the design flexible and work with a long-term and gradual approach.⁹²

Furthermore, the project design has three core operational components, which are innovative ways to the development of doing DFGG work in all the core activities of an operation. These include (i) support to state institutions, (ii) support to non-state institutions, and (iii) communication, monitoring & evaluation and learning.

The first core component is the institutional support to state institutions working on strengthening DFGG for a 3-5 year period. The first short-list of 5 possible state organizations are the Ministry of National Assembly-Senate Relations and Inspection; the Arbitration Council; Radio National of Kampuchea; the Ministry of Interior's One Stop Window Services and District Ombudsman's Office; and a National Assembly (Parliamentary) Committee. The support to be provided to each state institution will be

⁸⁸ It is currently a pipeline project.

⁸⁹ See Cambodia DFGG Project Concept note/Storyline

⁹⁰ See Cambodia DFGG Project Concept note/Storyline

⁹¹ See Cambodia DFGG PAD

⁹² Presentation by project TTL on "*Storyline of demand for good governance project in Cambodia*"

determined through a participatory process, complemented with technical guidance from a team of expert consultants. This is expected to build ownership and a network of support for the implementation of the proposal. Final feedback on each proposal is expected to come from a national level multi-stakeholder workshop towards the end of the project preparation period. Therefore, all through this participatory design process, expert consultants are expected to contribute what they know to strengthen these institutions.⁹³

The core institutional support to non-state institutions working on governance planned under the project, and for linking their activities directly with existing state institutions is likely to be a truly unique effort for the World Bank. The project aims to support this through two channels. First, Capacity building through an expected Trust Fund program: This expected *Program for Enhancing Capacity for Social Accountability (PECSA)* trust fund, which has recently been launched, involves several components for non-state actors. One would be training and mentoring by leading global social accountability institutions. Another would be exchange visits to learn from other social accountability experiences in the Asia region, and scholarships for further learning. It will also include “Venture governance” grants for action learning. Additionally, it will also set up a *mutual* support network of Cambodian civil society organizations working on social accountability to share ideas and experiences and pursue programs collectively. The PECSA is expected to run special programs on themes related to the DFGG project supported state institutions (such as training for journalists and labor unions).⁹⁴

A second channel of support would be Project Institutional Support through a series of Development Marketplaces: The institutional support to non-state actors through the project’s direct financing will take the shape of a series of 2-3 Development Marketplace (DM) competitions that will be expected to run over the life of the project. The project will encourage innovative ideas for programs and activities from various non-state institutions (e.g., NGOs, think tanks, private media, professional associations, local community groups) that strengthen one or more elements of DFGG.⁹⁵

The role of communications is also considered integral to the overall effects that the project aims to initiate. A communication strategy will be a key element of technical support for the DFGG-supported state institutions. This will aim to provide them with innovative best practice advice on promoting DFGG in other countries.⁹⁶

Currently, the project has completed appraisal, went through negotiations in June and is expected to go to the Board in September 2008. The project is being seen as a ‘learning vehicle’ for demand side GAC work in the country and region. DFGG is also being seen as a lasting priority in the forthcoming CAS. The project, hopefully, will be able to show-case a few good examples of DFGG initiatives that can create a series of actions and outcomes for other practitioners across the World Bank to evaluate important lessons to follow.

3b. Investment Lending Sector Specific ***Example: India, Orissa State Roads Project***

Orissa State Roads project is a one of a kind project that implements the India Right to Information (RTI) Act 2005 and the promotion of DFGG in the roads sector with a commitment to improve governance and accountability and overall performance of the sector.

The project’s objective is to increase business and household access to efficient road infrastructure services. The project comprises two components. The first is the Road Improvement Component and the second component is an Institutional and Policy Development Component. This component will assist Government of Orissa (GOO) to strengthen its capacity to delivery effective road services to users. The GOO is currently preparing an Institutional Strengthening Action Plan (ISAP) and a Governance and Accountability Action Plan (GAAP) to underpin its vision and commitment for undertaking the

⁹³ See Cambodia DFGG Project PAD

⁹⁴ See Cambodia DFGG Project PID and PAD

⁹⁵ See Cambodia DFGG Project PID and PAD

⁹⁶ See Cambodia DFGG Project PID and PAD

institutional and policy reforms and modernization program envisaged under the proposed project. Under the second component, a number of reforms are envisaged, which includes improving Governance and Accountability in the road sector. The project will provide support for the implementation of the GAAP, which has been prepared based on the Orissa Anticorruption Action Plan and India's RTI Act, road user satisfaction survey, and third-party monitoring of activities.⁹⁷

There are three functions that are specifically linked to DFGG in the project's activities. These include transparency and disclosure of information, oversight by beneficiaries, and external monitoring and quality assurance. It is useful to briefly explain how the project aims to carry out these functions. Under the first function of transparency and disclosure the project will ensure that annual procurement audits will be done. Building on the RTI Act, all procurement processes, bidding and contract awards for sub-projects financed by India Infrastructure Finance Company Ltd (IIFCL) will be disclosed on its website. Besides this on-demand disclosure of information, IIFCL will also be expected to initiate proactive disclosures including the public disclosure of all key documents related to the other financed sub-projects.⁹⁸

Under the second function, the project also includes a component on the Bank's role, in cooperation with IIFCL, to ensure that sub-project beneficiaries, citizens and civil society are fully involved in implementation oversight, through the use of Community Score Cards and Report Cards. The project will undertake periodic social audits of sub-projects to monitor utilization of funds, procurement of goods and services, and financial management and efficiency.⁹⁹

And, finally, under the third function, the project will carry out external monitoring and quality assurance through monitoring and evaluation of all project aspects by an external M&E agency to be procured as consultants under the project. This would include independent expert opinion—at critical stages in the supply chain—on the quality, technical operation, functionality and conformity of goods, works and services to the specifications set out in the bidding documents and to the needs of the project.¹⁰⁰ This activity is unique for a sector specific project as it allows for third-party monitoring and evaluation.

Implementation of the India Right to Information Act 2005 is gaining momentum in Bank operations in India. It is being incorporated in the governance framework in projects and in some cases under DPLs. A guidance note has been issued to help task teams to incorporate proactive disclosure requirements of the act in project design.¹⁰¹ The Orissa State Roads Project, if it is successful in carrying out the designed components, will be an example to follow in the infrastructure sector as a future model to promote DFGG in technical institutions.

3c. Investment Lending Local Government and Community Development

Example: Morocco National Initiative for Human Development Support Project (INDH)¹⁰²

The National Initiative for Human Development (INDH) project is an innovative and important project in the Middle East region. The project is supporting activities aimed to reach the poorest rural communes and a number of urban neighborhoods. All project activities are implemented through participatory processes at

⁹⁷ See Orissa State Roads Project PAD

⁹⁸ For a complete summary of actions that IIFCL will implement to fully comply with the RTI and enhance transparency and accountability see: Draft on the Governance and Accountability Action Plan, IIFCL, and Supervision Strategy of the Orissa State Roads project in India. June 13, 2008, and the Project PAD.

⁹⁹ See: Draft on the Governance and Accountability Action Plan, IIFCL, and Supervision Strategy of the Orissa State Roads project in India

¹⁰⁰ See: Draft on the Governance and Accountability Action Plan, IIFCL, and Supervision Strategy of the Orissa State Roads project in India

¹⁰¹ Position Paper: *Implementation of India RTI Act 2005 and Implication for Bank Operations*. The World Bank South Asia Region.

¹⁰² The project took a program based approach investment lending project. It is a \$1.2 billion program that spans 2006-2010. The World Bank is supporting INDH with a \$100 million loan, approved in December 2006. The loan is designed as a SWAp which makes use of country systems to the extent possible. The Bank is thus closely involved in providing assistance and supervising the many facets of the program. See <http://go.worldbank.org/0UJCKRLWJ0> for an Interview with Cécile Fruman, Principal Country Officer, Maghreb Department, Middle East and North Africa Region who has thoroughly explained the process in the interview.

every stage. It promotes social participation to engage all stakeholders and beneficiaries in infrastructure development activities as well as income generation activities.¹⁰³

The INDH was launched in May 2005 upon the request of the King of Morocco. The initiative draws on the poverty maps developed in partnership with the World Bank to target the 400 poorest rural communes and over 250 poor urban neighborhoods. INDH is a large-scale poverty reduction program which aims at demonstrating a shift from a top-down, single sector tradition of dealing with poverty to a community-driven, multi-sectoral approach that can accommodate the needs of the poor in urban slum and rural areas. INDH also supports access of vulnerable groups to social and economic services delivered by government and non-governmental organizations.¹⁰⁴

While the Bank-funded INDH Support Project supports the overall implementation of INDH, on all program components, the project specifically assists the Government of Morocco in improving inclusiveness, accountability and transparency of decision making and implementation processes at the local level in order to enhance use of social and economic infrastructure and services by poor and vulnerable groups. The project is composed of the following components: alleviate poverty in rural areas; alleviate social exclusion in urban areas; alleviate extreme vulnerability; and mainstreaming INDH governance mechanisms and strengthening of institutional capacity.¹⁰⁵

The INDH project is closely linked to the CAS. It is one of the main lending vehicles to support the Morocco CAS (2005-2009), which has the objective of improving living conditions and economic opportunities for the poor and vulnerable population in rural, peri-urban and urban areas. It also contributes to the cross-cutting objective of the CAS which is to improve governance transparency; accountability and inclusiveness are the principles on which INDH is based.¹⁰⁶

INDH highlights some exemplary participation and consultation processes. INDH relies on participatory process that are led by local committees composed of representatives from civil society, elected officials, and government officials, including women to express and prioritize their needs in terms of basic infrastructure, social services, income generating activities and capacity building. Local facilitators are in charge of ensuring that the process of identification and selection of sub-projects at the community level is participatory, inclusive and transparent. Through this participatory diagnostic, communities design a local development plan which is then financed by the INDH program, line ministries and other development agencies. This process is designed to strengthen local decision making and empower local communities and local governments.¹⁰⁷ A recent development in the project has been the creation of an Observatoire to use participatory M&E approaches in the monitoring and implementation of the project components.

Moreover, even though decentralization is not a stated objective in the INDH project it is very much supported in the agenda of the overall program. For example, it gives mayors or “*présidents de commune*” much more say on what the needs and the priorities of the community are, which in turn gives them the ability to leverage decisions made by line ministries in terms of investments and services rendered to the community. Some authority over resources is also awarded to the “*présidents de commune*” and the local councils. The outcomes of such activities are expected to ensure that line ministries will align investments towards the needs of the communities, through this consultative process.¹⁰⁸ This approach requires central government to pay attention to the opinions of local communities.¹⁰⁹

¹⁰³ The key stakeholders of INDH are the Government's line ministries, local authorities, elected officials, national and international NGOs, foreign donors and, first and foremost, the citizens in the targeted areas as mentioned later in the description.

¹⁰⁴ Project PAD: National Initiative for Human Development (INDH). November 2006.

¹⁰⁵ Project PAD: National Initiative for Human Development (INDH). November 2006.

¹⁰⁶ Project PAD: National Initiative for Human Development (INDH). November 2006.

¹⁰⁷ See Interview with Cécile Fruman at <http://go.worldbank.org/0UJCKRLWJ0>.

¹⁰⁸ See Interview with Cécile Fruman at <http://go.worldbank.org/0UJCKRLWJ0> and Project PAD: National Initiative for Human Development (INDH). November 2006.

¹⁰⁹ See Interview with Cécile Fruman at <http://go.worldbank.org/0UJCKRLWJ0>

The INDH project serves as a good practice example for promoting participatory development in projects in the Middle East region. With a strong commitment and support from the King, the activities under this initiative aim to reach the poorest rural communes and a number of urban neighborhoods at every stage by engaging all stakeholders and beneficiaries.

4. Entry-Point: Operational Policies/ Development Policy Lending (DPL)

Example: Peru Programmatic Social Reform Loan (PSRL I - IV)

Development Policy Loans can also be used as an entry-point to strengthen DFGG. Under the Bank's operational manual OP 8.60 DPLs aim to help a borrower achieve sustainable reductions in poverty through a program of policy and institutional actions that promote growth and enhance the well-being and increase the incomes of poor people.¹¹⁰ One of the underlying considerations in providing DPLs is the role of consultations and participation. For a development policy operation, the country draws on the country's development strategy formulation, which should also be based on the consultation, engagement and participation of multiple stakeholders, to determine, in the context of its constitutional and legislative framework, the form and extent of consultations and participation in preparing, implementing, and monitoring and evaluating the operation. Bank staff describes in the Program Document the country's arrangements for consultations and participation relevant to the operation, and the outcomes of the participatory process adopted in formulating the country's development strategy. The public is made aware of the analytic work conducted by the Bank, mostly on poverty and social impacts and on environmental aspects, which is in line with the Bank's disclosure policy.¹¹¹

As pointed out by in a study on the role of social accountability in DPLs¹¹² there has been a significant increase in the past years in the number of World Bank-financed development policy loans that support DFGG-related reforms, as referred to previously as well. This trend, as pointed out by the authors, demonstrates the importance attached to the role of governance in the development agenda and specifically to the demand-side processes of governance, emphasizing the role of citizens and civil society in improving government accountability and reducing corruption. In addition, the study on DPLs also illustrates that DPLs can help improve the enabling environment for social accountability by supporting structural reforms needed for such processes to be effective in the long run. Furthermore, they can also help protect reform agendas and provide opportunities for inter-sectoral collaboration, as social accountability reforms tend to be crosscutting.¹¹³

Peru Programmatic Social Reform Loan (PSRL I - IV)

The Peru PRSL I through IV illustrates the role of DPLs in supporting DFGG operationally. The Peru PSRL I was the first loan in a series of three programmatic adjustment loans. The loan was expected to make an immediate contribution to economic stability and to the protection of critical expenditures for the poor in a highly uncertain period of Peru's political transition. Its objectives were to support the Government's social reform program by assisting the construction of a more transparent, participatory, efficient and decentralized process for the allocation of social expenditures and the implementation of social program.¹¹⁴

The Durth (PSRL IV) is the final stage of a four-year program in Peru, which uses a Programmatic Development Policy Loan instrument to support reforms aimed at increasing access, transparency, and efficiency in service provision. PSRL IV is focused on consolidating these reforms and increasing their sustainability into the future. It will support efforts to complete and consolidate reforms in five areas: social

¹¹⁰ Under the Bank's operational manual OP 8.60 Development policy lending is rapidly disbursing policy-based financing, which the Bank provides in the form of loans or grants to help a borrower address actual or anticipated development financing requirements that have domestic or external origins. See OP 8.60 - Development Policy Lending Manual - <http://go.worldbank.org/J0TNG02101>

¹¹¹ See OP 8.60 - Development Policy Lending Manual - <http://go.worldbank.org/J0TNG02101>

¹¹² Draft - Operationalizing Social Accountability in Policy-Based Lending: Lessons Learned from Emerging Experience. William Reuben and Silva-Leander 2007.

¹¹³ Draft - Operationalizing Social Accountability in Policy-Based Lending: Lessons Learned from Emerging Experience. William Reuben and Silva-Leander 2007.

¹¹⁴ See Project PAD: Peru - Programmatic Social Reform Loan I

expenditures management; redesign, targeting, and administration of social protection programs; access to health services; access and efficiency in education; and transparency and accountability in the social sectors.¹¹⁵

The overall objective of PSRL has been, since the beginning of the program in 2001, to support Peru's medium term social policy reforms. There were many activities conducted that promoted DFGG throughout the four years of the PSRL, such as the implementation of the Law on Transparency and Access to Information (PSRL III), creation of a multi-sectoral dialogue mechanism to institutionalize citizen participation (PSRL I), and creation of Commission on National Consensus for Education to influence the design and formulation of educational policies (PSRL I). One of the benchmark design lessons learned in the Peru PSRL I & IV was that in PSRL I a condition was included to design and implement a civil society-led auditing system of social programs. As this depended on civil society actors, which did not manage to coordinate their actions to achieve this, the condition was not met. In the PSRL IV, the condition was redesigned to focus on the creation of a government-led participatory monitoring and evaluation system, which in addition to internal accountability and information mechanisms would facilitate spaces for civil society involvement and include channels to incorporate their feedback into the M&E system. Another benchmark of the loan was to include questions on citizen perceptions of corruption and quality of public services in the national household survey (PSRL I, II, & III). These indicators were then used to assess changes in perceptions during the four years of the programmatic series.¹¹⁶

It is difficult to assess the impact of these reforms; nonetheless, there are concrete results that can be learned from the process so far. The implementation of the reforms included the creation of a government transparency portal with information on all public budgets and expenditures at the national and regional levels, summaries of the strategic plans of different sectors, financial audits of all public agencies and information on all internal and external debt. The portal has been an important tool for civil society to monitor government performance. The reforms have also led to the creation of a monitoring and evaluation system of social programs that includes a social auditing and user feedback component.¹¹⁷

5. Entry-Point: Private Sector Interface

Example: Kazakhstan Extractive Industries Transparency Initiative (EITI)

The private sector's legitimacy is based on its role of creating jobs and employment that in turn generate returns through taxes. These taxes are used to design the social programs that benefit citizens. There is, therefore, a mutual dependence between the economic and social spheres of society that must be mutually supportive. It has a legitimate interest in ensuring that its productivity is not undermined by excessive transaction costs imposed by corruption.¹¹⁸ At the same time, however, it also has an obligation to avoid paying bribes. Tools such as Integrity Pacts offer specific mechanisms to help ensure that both government and businesses are not tempted down the path of corrupt practice.¹¹⁹

The private sector is crucial for sustainable and effective development outcomes. The Bank through the GAC strategy is involved in promoting good governance and anticorruption plans by partnering with the private sector. The growth of privatization in the development world has meant a greater role of the private enterprise in the public sectors.¹²⁰ The Bank Group regards both the private and public sectors as key players in the drive towards sustainable development. The private sector can become a key partner with the government and civil society in addressing development challenges through its observance to and promotion of good governance. The Bank promotes public-private sector dialogue as well as reforms

¹¹⁵ See Project PAD: Peru - Programmatic Social Reform Loan IV

¹¹⁶ Draft - *Operationalizing Social Accountability in Policy-Based Lending: Lessons Learned from Emerging Experience*. William Reuben and Silva-Leander 2007.

¹¹⁷ Draft - *Operationalizing Social Accountability in Policy-Based Lending: Lessons Learned from Emerging Experience*. William Reuben and Silva-Leander 2007.

¹¹⁸ See Public Sector Governance at <http://go.worldbank.org/J8RR3IVL30>

¹¹⁹ Integrity Impact is a contract of government agency to enable its staff to self monitor by adhering to adopt a series of measures that enhance the agency's integrity. See The Integrity Pact. The Concept, the Model, and the Present Application: A Status Report. Transparency International. December, 31 2002.

¹²⁰ See Public Sector Governance at <http://go.worldbank.org/J8RR3IVL30>

conducive to private sector development. It encourages the private sector to mobilize financial, technological and management resources to facilitate the creation of efficient production systems. The Bank also works towards ensuring that the most vulnerable segments of the society, including women and disadvantaged groups, are protected through private sector partnerships and initiatives.¹²¹

At the sector-level one of the major initiatives that brings together private sector with governments and civil society organizations is the Extractive Industries Transparency Initiative. EITI serves as a good practice example of global coalition towards promoting sectoral transparency and accountability. In 2002, EITI was launched to improve governance in resource rich countries by calling for the full publication and verification of company payments and government revenues from oil, gas, and mining.¹²² EITI promotes social inclusion of the private sector, greater transparency through disclosure policies and others, and standards on following best practice examples. A central development benefit of this approach is that EITI promotes country ownership. Furthermore, the initiative encourages all stakeholders including, governments, publicly traded, private and state-owned extractive companies, international organizations, NGOs and others with an interest in the sector to work together voluntarily to develop a framework to promote transparency of payments and revenues. EITI implementation plans are designed such that they can be compatible with transparency and accountability issues in plans of other private sectors.¹²³

Kazakhstan Extractive Industries Transparency Initiative (EITI)

Kazakhstan joined EITI in June 2005, but delivered a lackluster performance until its Government and the Bank signed in December 2006 a Memorandum of Understanding aimed at accelerating progress towards full membership. In 2007 Kazakhstan became an EITI candidate country; and the Government has amended the law on sub-soil use to mandate commitment to EITI for all new license holders.¹²⁴

The Government of Kazakhstan requested Bank support in implementing the EITI process. Accordingly, the main focus of the Joint Economic Research Program task has been to assist in devising monitoring indicators to help Kazakhstan monitor the process, assist in sharing implementation experience and best practice lessons of other EITI implementing countries, and provide additional support on a needs basis, such as on-the-ground consultancy support for implementation.¹²⁵ Thus far the Bank supported Kazakh authorities in preparing the necessary documents for EITI implementation; in hiring an auditor for data reconciliation; and financing and overseeing an extensive communications and outreach program. The World Bank has also provided technical and financial assistance to the EITI implementation in Kazakhstan since it began, including organization of a conference.¹²⁶

International oil companies and NGOs are closely involved in the EITI implementation in Kazakhstan. Recently TengizChevrOil, the largest oil producer in Kazakhstan, joined the Initiative, bringing the share of companies that have signed EITI to 80 percent of the total extractive revenues generated in Kazakhstan. The first Kazakh EITI Report was presented at a national conference on February 29, 2008.¹²⁷

The dynamic force behind the initiative in Kazakhstan has been civil society, which is led by the Coalition of NGOs "Oil wealth under control of the society." The Reconciliation report, which compares data on the payments made by the participating extractive companies on the one hand, and the revenues received from

¹²¹ Social Accountability Sourcebook.

¹²² Today, EITI has evolved into an international coalition of governments, the World Bank Group, oil, gas and mining companies, industry bodies, investors, and civil society organizations such as Transparency International, Oxfam, and Global Witness. Of the 22 countries that are currently implementing EITI, 15 countries are in Africa. See EITI. Other similar initiatives include the Access Initiative through the environment group at the World Bank.

¹²³ See Statement of Principles and Agreed Actions for EITI Implementation or see www.eitransparency.org

¹²⁴ Terms of reference for assistance in the implementation of the Extractive Industries Transparency Initiative (EITI) in Kazakhstan. June 2006.

¹²⁵ EITI in Kazakhstan January 2008 Briefing Note.

¹²⁶ Brief Note on Kazakhstan - Extractive Industries Transparency Initiative (EITI) and EITI ++. June 2, 2008.

¹²⁷ EITI in Kazakhstan January 2008 Briefing Note.

the participating extractive companies by the government on the other hand, was long awaited by all the parties.¹²⁸

Kazakhstan has been able to achieve some remarkable results on EITI implementation so far, and is currently underway towards full compliance with the international EITI principals and criteria. Going through the validation process will make Kazakhstan an EITI-compliant country and will bring it large benefits in terms of increasing transparency and accountability of the extractive industries. However, given that EITI covers only one resource governance intervention, the World Bank considers it essential for Kazakhstan to also work on other resource governance interventions for improved governance in the extractive industry sector. These other interventions include working on awarding of contracts and licenses, regulation and monitoring of operations, revenue distribution and management, and implementation of sustainable development policies/projects.¹²⁹

Going forward, a successful implementation of EITI and the formal achievement of EITI compliance status endorsed will set a good founding basis for initiating more advanced EITI approaches in Kazakhstan, namely the EITI++ approach. This will allow the promotion of good governance along the whole value chain of the extractive industry sector.¹³⁰ The Kazakhstan EITI is a good example of the World Bank Group's engagement with assisting governments implementing sectoral initiatives, mainly driven by private sector and civil society coalition groups.

6. Entry-Point: Direct Support for Civil Society, Media, Parliaments and Learning Networks

The direct role of civil society in demand for good governance can not be overstated. For decades, civil society organizations, grass-roots movements, and independent organizations have been leading the way to improving transparency measures and advocacy campaigns for access to information, supporting and repeatedly endorsing the participation of citizens in development and poverty reduction issues, as well as enhancing the ways in which they can monitor and oversee the functions of governments, public sector institutions, and private companies to hold them accountable.

The Bank has been supporting capacity development of non-state stakeholders (civil society, parliaments) to engage in DFGG practices through research, training, information sharing and capacity building activities. As mentioned in an earlier section, the World Bank's capacity development programs support nontraditional clients for strengthening and ensuring civil society involvement DFGG. The World Bank Institute (WBI), which leads the Bank's capacity building work, involves nongovernmental participants in most of its activities and seeks to consistently expand its outreach to civil society groups, and also to members of the media, parliaments, trade associations, and communities in an effort to support demand-side approaches.¹³¹

To broaden the reach of its training programs, each year WBI develops new ways, for example, recently, in partnerships with local broadcasters and academic institutions it also pioneered the delivery of radio and web-based courses. More than 115 learning centers across the globe are linked through its Global Development Learning Network (GDLN). Moreover, it has recently developed diagnostic study programs for good governance and corruption, programs to strengthen parliamentary oversight, as well as enhanced support for media trainings, workshops, and programs.¹³² The World Bank can also directly support civil society and other non-state actors through building networks in regions, sectors, and globally.

6A. *A New Model for Supporting Demand-Side Governance: The Affiliated Networks for Social Accountability (ANSA) in Africa/ East Asia/ South Asia*

¹²⁸ EITI in Kazakhstan January 2008 Briefing Note.

¹²⁹ EITI in Kazakhstan January 2008 Briefing Note.

¹³⁰ EITI in Kazakhstan January 2008 Briefing Note.

¹³¹ See Social Accountability Sourcebook.

¹³² Demanding Good Governance in Africa – "ANSA-Africa" A new organization is helping civil society to hold governments accountable. Reinikka, Ritva and McNeil, Mary. World Bank. 2007.

For a complete list of WBI programs refer to www.worldbank.org/wbi/accountability

A new model based on building regional networks that aim to bring together the capacity of civil society to strengthen government accountability to its citizens have been recently launched by WBI. The new initiative, the Affiliated Network for Social Accountability, or ANSA, is working to build capacity among the many civil society groups that strive for open and transparent governance across regions. Each of the ANSA Networks is supported by the Bank's Development Grant Facility (DGF). Jointly managed by the WBI and the operational regions, ANSAs provide a knowledge platform; foster networking among practitioners; conduct training and research; and provide grants to practitioners engaged in demand-side governance initiatives.¹³³

ANSA-Africa is an innovative WBI-led initiative.¹³⁴ It aims to build capacity for improved technical rigor in implementing social accountability initiatives among civil society organizations that may lack the technical skills and resources to deliver results that will be widely accepted. For example, in South Africa ANSA-Africa will build on the results of a recently completed Consultative Citizen Report Card in the Tshwane metropolitan area. The report card used statistically representative sampling, GIS mapping, and innovative dissemination methods (wherein pictorial brochures were sent out with all utility billings) to conduct a household survey, or report card, to assess citizen satisfaction with service delivery. The results have been extremely well received by Tshwane metropolitan administrators, in large part owing to the technically sound approach to compiling the information.¹³⁵

ANSA-Africa also aims to play a lead role in evaluating current initiatives in, and the impact of, social accountability tools and methodologies. In Uganda, for example, citizen report cards were used to improve health care delivery. A careful impact evaluation was carried out for this, which brought to light a rise in the use of health facilities and healthier infants that noticeably reduced child mortality in the project area.¹³⁶

Key to the ANSA-Africa's success will be its ability to network among practitioners across Africa and to deliver long-term, locally driven capacity development efforts that build on existing capacities.¹³⁷ It also performs networking functions by reaching out to existing institutions and practitioners already involved in the field.

The present membership of ANSA consists of 1600 organizations across Africa.¹³⁸ The ANSA model had expanded because it reflected a global concern with good governance and fighting corruption, which have come to be recognized as prerequisites of sustainable development. These are areas where governments need the support of parliaments, the media and civil society to counter citizen's growing disillusionment with government performance and their demands for transformation.

6b. Other Innovative Initiatives Directly Supporting Demand for Good Governance

Other innovative initiatives directly supporting civil society that are worth mentioning include, the partially Bank funded Partnership for Transparency Fund; South Asia regions' TFFESD initiatives under SASANET; and the DGF communications program, Communication for Governance and Accountability Program (CommGAP).

¹³³ Demanding Good Governance in Africa – “ANSA-Africa” A new organization is helping civil society to hold governments accountable. Reinikka, Ritva and McNeil, Mary. World Bank. 2007.

¹³⁴ Launched in December 2006, it partners with South Africa's Human Sciences Research Council (HSRC) in Pretoria to promote and support civil society actors in implementing initiatives in social accountability

¹³⁵ Demanding Good Governance in Africa – “ANSA-Africa” A new organization is helping civil society to hold governments accountable. Reinikka, Ritva and McNeil, Mary. World Bank. 2007.

¹³⁶ Demanding Good Governance in Africa – “ANSA-Africa” A new organization is helping civil society to hold governments accountable. Reinikka, Ritva and McNeil, Mary. World Bank. 2007.

¹³⁷ To ensure broad ownership across the continent, final decision-making authority is vested in a five-member executive committee comprised of African representatives from Anglophone, Lusophone, Francophone Africa and the World Bank, namely Lorenzo Rodriques, Mozambique; Bara Gueye, Senegal; Eric Mogalo Aligula, Kenya; Mary McNeil, World Bank; Carolyn Winter, World Bank. A technical advisory board whose members are experts in a wide range of related disciplines, provides input and advice.

¹³⁸ See <http://go.worldbank.org/2TG18DMWC0/> <http://www.ansa-africa.net/>. ANSA-Africa recently organized a Stakeholder Conference on Social Accountability, Fragile & Post-conflict States, and Revenue Generation in Addis Ababa, Ethiopia. Delegates from more than 30 African countries representing all the regional economic communities on the continent, and from international development organizations, donor organizations and academic institutions, attended the conference. For more information, visit the website

The Partnership for Transparency Fund (PTF)

There are also other alternative initiatives and models of strengthening DFGG. The Partnership for Transparency Fund¹³⁹ is another example of direct civil society support. The Bank only plays a donor role in PTF's activities and practices; however, there are many lessons to be learned from the PTF model and approach for Bank governance and anticorruption projects. The organization works with CSOs that are committed to fighting corruption and supporting good governance and that are willing to promote constructive engagement with public sector organizations.

The Textbook Count, the Ateneo School of Government's G-Watch project in the Philippines, is highlighted as one of the most successful examples of the PTF. Working with the Department of Education as a partner agency, it brought together the civil society and the private sector to help in monitoring the bidding, production, delivery, and onward distribution of from the districts to elementary schools. The program has been institutionalized. The project has been adopted by the Department of Education adopts as a part of its regular program. The program highlights the value of civic engagement and participation in governance and optimized development outcomes¹⁴⁰.

South Asia Region (SAR) Social Accountability Initiative

Since 2005 a unique effort to initiate and mainstream SAc initiatives in government, local government and NGO service delivery, with support from two TFESSD sponsored trust fund windows and one Norwegian supported Trust Fund, has been ongoing in SAR. The effort has focused on the following five sets of activities developing centers of excellence for SAc; establishing a community of practice of SAc (SASANET¹⁴¹) by building a consensus of key decision makers and other stakeholders on SAc; providing financial and technical assistance for SAc initiatives initiated by Governments, Local Governments and NGOs; supporting pilots for SAc initiatives in WB projects; and, finally, creating and disseminating knowledge about local SAc initiatives through case studies, workshops, training of trainers, curriculum development and a monthly newsletter.¹⁴²

Communication for Governance and Accountability Program (CommGAP)

CommGAP¹⁴³ is a global program at the World Bank that promotes the use of communication in governance reform programs and supports the building of democratic public spheres.¹⁴⁴ However, the role of media and communications as an active agent of change and advocacy is still not very well understood in the Bank programs and needs much more attention than presently given. CommGAP is demonstrating that power of communication in promoting good and accountable governance for better development results through its three program areas: Research and Advocacy, Training and Capacity Building, and Support to Development Projects and Programs.¹⁴⁵

Furthermore, CommGAP, in partnership with other donors, provides long-term comprehensive communication support to select governance-related projects and programs. Examples of this support include providing technical assistance to the World Bank's first stand-alone demand for good governance project, the Cambodia Demand for Good Governance project; comprehensive communication support to the post-conflict states such as Sierra Leone and Liberia; and helping to strengthen Bangladesh's institutions of accountability and demand-side governance. To date, CommGAP has hosted and produced a number of multi-disciplinary knowledge events and products. These include, *Governance Reform Under*

¹³⁹ PTF is an organization of volunteers that makes small grants to civil society organizations in developing countries, builds capacity and promotes learning through workshops. For a recent IEG evaluation of PTF's work, titled, "*Fighting Corruption and Promoting Transparency in the Public Sector: An Independent Evaluation of the Partnership for Transparency Fund*" please refer to the GAC website.

¹⁴⁰ For more information, please refer to PTF's website at <http://www.partnershipfortransparency.info/>

¹⁴¹ South Asia Social Accountability Network (SASANET)

¹⁴² For a complete list of activities under this program, see www.sasanet.org and [Capacity Building and Piloting of Social Accountability Initiatives for Community Driven Development in South Asia](#).

¹⁴³ CommGAP was launched in September 2006 and is funded through a 5-year Multi-Donor Trust Fund and administered by the Development Communication Division, External Affairs Vice-Presidency at the World Bank.

¹⁴⁴ Democratic public sphere refers to areas where open and free public opinion and dialogue can take place among the various actors of society.

¹⁴⁵ See CommGAP's website for more details at <http://go.worldbank.org/COQNDNJW40>

Real World Conditions: Citizens, Stakeholders, and Voice (book); “Generating Genuine Demand with Social Accountability Tools” (expert dialogue); and; and Accountability; the role of media systems & organizations (publications).¹⁴⁶

V. SUMMARY OF KEY OBSERVATIONS

The stocktaking exercise opened up a dynamic and diverse set of findings in how the World Bank works on demand for good governance. Some of the main findings of are summarized below:

- ***A wealth of practice*** - The stocktaking experience identified that DFGG efforts are a common practice across the WBG. There is a wealth of existing and innovative projects and/or elements within projects supporting DFGG work. A great deal of DFGG initiatives across the WBG can be and have been initiated and strengthened by the government and service providers and/or by users, communities, civil society, private sector, and citizens. However, because these efforts are elements of larger operations and are spread across sectors and regions, they are often dispersed, small scale pilots, and resource constrained.
- ***Mainstreaming*** - Mainstreaming of demand-side activities beyond the policy advice into lending operations is at a very small scale. There is still a heavy reliance of supply-side interventions. There is a need to move beyond the mechanisms and tools that only work in environments that allow for such tools to succeed for example, the Right to Information Acts that works in countries that already have an enabling and regulatory environment to support such processes.
- ***Cuts across all sectors and regions*** – Although DFGG is not seen as a central theme in sectors and regions, DFGG activities and tools cut across all sectors and regions. The EAP and SAR regions are most actively supporting demand for good governance work, where CDD is providing an entry-point for demand for good governance work. It is most difficult to support DFGG in Africa and MENA regions, due to political sensitivities but there is still a lot interesting work going on in these regions. In SAR, LCR, and EAP regions most of the work is being done at the community and local government level.
- ***Approaches are context specific*** - DFGG approaches are extremely dependent upon the context in which they are applied. As a result, decisions must be made on a case-by-case basis about what methods to use, who to involve, whether to take a more political or pragmatic approach, and the extent to which DFGG mechanisms should be independent or institutionalized.
- ***“Everyone’s business = No one’s business”*** – It is difficult to tell who’s responsible to work on DFGG and why. It is not everyone’s business. There is no policy enforcing work on DFGG which does not make it a necessary function to work on. The lack of coordination and knowledge sharing among sectors and regions to work more collaboratively on DFGG efforts is just about absent. There is very little overall interest in supporting demand for good governance effort, which also made it harder to collect the dispersed information for this report.
- ***Incentive Structures*** – At present, there is a relatively unequal incentive structure for supporting DFGG functional elements at any level in Bank activities. There are no positive incentives to be involved in the work and no consequences to not being involved.
- ***Funding and instruments*** – While DFGG efforts should ultimately improve development results, they may include development policy loans, investment operations, and AAA. There are major severe constraints to support demand-side work. Lack of adequate financing resources is a serious problem that tends to threaten the long-term sustainability of DFGG initiatives. It is often identified as one of the most critical obstacle to effective functioning of initiatives by teams across the Bank.
- ***Evaluate to learn, and learn to evaluate*** – Currently, there is no evaluation of “what works” and “what does not.” Lessons from project activities and evaluations have not been effectively

¹⁴⁶ For more information on CommGAP, refer to the section on research and publication at <http://go.worldbank.org/COQNDNJW40>

cultured and reinstated in the institution or have been very slow at it. Undertaking this task will further help illustrate the increasing value-added by pilot projects to how to scale up DFGG.

- ***Build on existing guidelines and frameworks*** – There is already a wealth of valuable existing analytical work that provides guidelines for Bank teams on how to work on DFGG elements operationally, for example, the Participation Sourcebook, Social Accountability Sourcebook, lessons learned from various regional stocktaking's, etc. Going forward, the Bank should not focus on reinventing the wheel for how to do it rather build on this existing knowledge by providing practical case-studies and promote a strong community and culture of practice that can endorse the value and effectiveness of strengthening demand-side activities.
- ***The World Bank is not a leader in DFGG efforts as compared to the initiatives being undertaken by the civil society*** - Civil society has been significantly more proactive and successful in developing and implementing tools and practices for demand for good governance efforts at every level than the Bank. The Bank has a great deal to learn from civil society organizations that operating on a larger scale than it is. Building links with organizations and training staff links with organizations can strengthen the Bank's knowledge base and foster collaboration with organizations.

VI. Key Challenges to be Addressed by the World Bank

The Bank traditionally works with client governments. This mandate clearly creates a crucial challenge for the Bank to work on DFGG. In addition, the Bank's engagement with demand-side actors, namely, parliaments, media, and civil society represent areas in which the Bank faces some major internal structural impediments. These make it very difficult for the institution to work on demand for good governance efforts in its operations. Despite the good practice DFGG efforts mentioned in the paper of the Bank in strengthening DFGG, the World Bank needs to identify these impediments that would lead to the setting of priorities to be tackled to mainstream demand for good governance in its work. This section addresses three key challenges that the Bank should aim to address:

1. *Mainstreaming Participation and Consultation*

The first significant challenge is related to mainstreaming participation in Bank operations. The objective is to increase opportunities for civil society participation and consultation throughout the project cycle. It has been pointed out in a number of prior studies and analysis on participatory processes in operations that participation is still not central to how the Bank works. Multi-stakeholder engagement is the exception rather than the rule in most cases.

The incentive structures are also not supportive of encouraging Bank partners to invite systematic involvement. For example, the PRS processes have not been living up to their potential, with a few exceptions. Additionally, while participation delivers better stakeholder buy-in and, ultimately, higher quality operations, it can be costly and can delay project processing. This calls for a greater need to support participation in sectoral reforms and investments. Finally, the issue of insufficiency of 'multi-sector governance' skills and resources to incorporate it throughout operations at all levels should be addressed. The Bank needs to provide guidelines with specific tools, methods, and skills in operations to organize, which require local knowledge about who should be involved and how to facilitate productive input.

2. *Non-Executive Accountability Institutions*

Another key challenge is the lack of independent oversight mechanisms at the national level. Operationally, there are unclear entry-points in enabling this environment. There are many pilot activities supporting mechanisms for independent oversight in different parts of the Bank¹⁴⁷ but these are sporadic and uncoordinated. Moreover, there is clearly a lack of institutional mandate on this and the legal issues, which this report does not touch upon, show why this is a difficult area to

¹⁴⁷ For example, activities support the implementation of Right to Information activities, media capacity and support, parliamentary oversight, and judicial reform,

address. The Bank needs to work with partners to support the enabling environment for greater independent oversight.

3. *Link Supply and Demand of Local Governance*

Linking supply and demand of local governance is a very crucial challenge for the Bank. There are lots of activities supporting local development within the Bank, bottom-up development through community driven development approaches and support for supply-side development through decentralization approaches, and municipal development through urban development approaches. However the challenge is in the lack of coordination between the diverse WBG approaches to local development. There is still a need for effective interaction between supply and demand in local development. The objective is to develop coherent support that builds local authorities' capacities and opportunities for citizens to hold those authorities accountable.¹⁴⁸

These challenges are not easy to address by any means and neither can there be a quick and short-term solution to any one of them. These issues are repeatedly discussed and brought to the attention of the World Bank's management and so far no concrete measure has been taken to coherently address them. To effectively promote good governance in client countries, the Bank needs to reconsider some of its policies, processes, and internal organizational mechanisms, and especially introduce a mandate to make demand-side initiatives as crucial elements in operations, where most of the Bank's work that affects the lives of the people is actually carried out.

VII. CONCLUSION

The concept of demand for good governance is still relatively new in the World Bank and has not advanced at a fast pace within the Bank's work but there is a fair amount of on-going practice called by other names such as "participation", "community driven development", "social accountability," etc. Efforts supporting DFGG elements have also taken root in several sectors and regions, achieving a number of small-scale positive results and promoting a framework that enables citizen and multistakeholder participation in different areas of operations and policy making. These have been initiated and supported at the national, sector and local levels and show a varied accumulation of objectives, depth of involvement with government, and methodologies and tools. While some focus on promoting and enhancing the enabling conditions for transparency and exercising DFGG elements in the public expenditure cycle, a new set of initiatives has been developed with the adoption of a new agenda that includes strengthening DFGG in the private sector and capacity building for civil society, media, and learning networks.

The demand for good governance is one of the instruments for social change. It is not a means to an end. It has to be created and facilitated. The premise of this report has been that transparency, greater accountability, multi-stakeholder engagement, and creation of an enabling environment will not assure better governance unless institutions at national, sector, local and community levels are made more competent as well. A clear and concrete understanding of building-blocks/elements outlined in this report, namely transparency and information, participation and consultation, monitoring and oversight, and capacity building should not be seen as a mere analytical exercise, but rather as a key ingredient in the development of appropriate policies, strategies, projects, partnerships and tools and mechanisms to strengthen and scale-up demand-side governance in the World Bank's work. Underscoring the various functions of the supply-side actors and the demand-side actors can together strengthen the work of both to enhance demand for good governance in Bank initiatives for improved development outcomes for citizens.

In conclusion, the report has highlighted the growing possibilities for working on demand side governance elements in the World Bank. Although, it goes without saying that there is not enough work being done throughout the Bank on demand side of governance. Addressing the challenges at all or some levels and

¹⁴⁸ The recent IEG report on decentralization highlights the problems that the Bank faces: "*Because responsibility for decentralization/ related support to operational units is split among PREM, SDV and Urban, the support is often fragmented in a field where a highly collaborative and co-coordinated approach is essential for effectiveness. As a result, support to client countries has not capitalized on the Bank's significant depth and breadth of expertise*" (IEG Evaluation Report)

taking advantage of the Bank's comparative advantage and existing practices and opportunities can further mainstream the work on the demand for good governance.