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HOW-TO NOTES

How, When, and Why to Use Demand-Side Governance Approaches in Projects

GAC in PROJECTS
IMPROVING DEVELOPMENT OUTCOMES

SOCIAL DEVELOPMENT

This note was prepared by Sanjay Agarwal and Warren A. Van Wicklin III of the World Bank's Social Development Department (SDV) as part of the effort by the Demand for Good Governance team and the GAC-in-Projects team to provide guidance on ways to improve governance and accountability in Bank operations. The authors are grateful to peer reviewers Asmeen Khan and Meena Munshi for their invaluable insights and comments. The authors would also like to thank Hélène Grandvoinnet, Richard Holloway, Suna Karakas, and Janmejay Singh for additional comments.

Introduction

This note, **How, When, and Why to Use Demand-Side Governance Approaches in Projects**, offers a process-oriented guide to strengthening demand-side governance approaches in World Bank projects with a step-by-step approach for determining how demand for good governance (DFGG) tools and approaches can be applied to different types of Bank-funded projects.[1] The objective of this note is to help task teams: (1) anticipate demand-side governance considerations early in the project preparation process; (2) identify potential entry points for introducing DFGG tools to address these considerations; (3) provide guidance on selecting DFGG tools which will improve governance, transparency and service delivery; and (4) assist borrowers to introduce DFGG tools in Bank projects, and to measure their impact.

Targeted to Bank project task teams, the note focuses on providing an understanding of DFGG approaches and their applicability to Bank projects. It is not meant to be prescriptive but rather advisory. A how-to aid for planning, this note is not meant to provide quick fixes or cookie-cutter solutions. Task teams are encouraged to seek out additional ways to enhance demand-side governance in their projects. DFGG is mainly political, not technical. It requires understanding the underlying principles and the context, and applying DFGG approaches judiciously.

The note begins with a brief introduction to DFGG and its rationale. The core guidance is presented in the form of a simple five-step process for determining in a given project context: (1) which DFGG tools and methodologies apply to different needs of Bank projects; (2) where and how these tools can be introduced during project preparation, implementation and supervision; and (3) how to sustain the impact of this work. The annexes contain a glossary of DFGG tools, checklists, website links and other resources for task teams that will assist them in introducing and deepening DFGG work in Bank projects.

What is DFGG?

Demand For Good Governance (or DFGG) refers to the ability of citizens, service users, project beneficiaries, communities, and civil society organizations (CSOs) to demand greater accountability and responsiveness from public officials and service providers. These citizen-driven accountability measures complement and reinforce conventional supply-side mechanisms that improve governance (such as political checks and balances, auditing systems, administrative rules, legal oversight, and civil service reform) and strengthen public financial management and public accountability institutions. Integrating DFGG approaches into projects involves setting up systems to ensure that beneficiaries have a greater voice in planning and implementation and that the project is downwardly accountable and responsive to their needs.

DFGG mechanisms can be initiated and supported by government, citizens, or both; but frequently they are demand driven and operate from the bottom up. Therefore, DFGG strengthens the capacity of citizens, CSOs, the media, academics, and the private sector to hold authorities accountable for better development results. DFGG also enhances the

1. "Demand for good governance" and "social accountability" are similar concepts in meaning; this note uses the former. The Bank's recent focus on Governance and Anti-Corruption (GAC) has led to an increase in the use of demand-side governance or DFGG since it is more specifically focused on governance.

capacity of the state to become transparent, participatory, and accountable in order to respond to these demands (Box 1).

BOX 1
The Pillars of DFGG: Transparency, Participation, and Accountability

Transparency refers to the availability of information to the general public and clarity about government rules, regulations, and decisions. It is the foundation upon which both accountability and participation are built. Information in the public domain is the "currency" of transparency and, together with open and visible decision-making processes, signals that there is really nothing to hide. There are three dimensions of transparency: (1) disclosure of information (the level of transparency of the government regarding, for example, budgets, expenditures, programs, etc.); (2) demystification of information (strengthening the level of awareness and understanding of citizens, for example, about laws, rights, budgets, policies, etc.); and (3) dissemination of information (spreading information as related to, for example, governance issues, processes, finances, laws, etc.) to the public. In promoting transparency, dissemination of information should be followed by citizen action and advocacy based on this information.

Participation refers to citizens influencing decisions, policies, budgets, and government activities that affect them. Participation should be rigorous, of high quality, and able to make a difference. The benefits of participation are well documented: they are particularly important in decisions on the types of investment projects to be done, their design and implementation, and their operation and maintenance. The involvement of civil society organizations, consumer groups, project beneficiaries, and affected communities in all stages of Bank-financed projects can simultaneously improve development outcomes and reduce the scope for fraud and corruption.

Accountability can be defined as the obligation of power-holders to account for or take responsibility for their actions. This includes conventional power-holders like politicians and bureaucrats but can also encompass local power-holders, such as members of service-user committees and contractors for community projects. These power-holders can be held accountable for both their (1) conduct in that they must obey the law and not abuse their powers and (2) performance in that they must serve the public interest in an efficient, effective, and fair manner. In return, people have rights and responsibilities, including the right to information, the right to organize, the right to services and the obligation to uphold their responsibilities as citizens.

The DFGG approach can manifest itself in many forms. Beneficiaries can be consulted on project design, involved in implementation, engaged in information sharing and explanations of their rights and entitlements, and requested to give feedback; and the project can address the beneficiaries' complaints, ensure that incentives respond to their needs in project and sector agency structures, and create a culture of "serving the clients."

This note focuses on a subset of DFGG tools and approaches at the project level although some are also used at the sector or national level. Most consultation and participation tools are already well known to Bank task teams, so those are generally not repeated here. Instead the focus is on DFGG tools that might be less well known. This note focuses on DFGG tools for information dissemination and demystification, participatory planning

and management, participatory monitoring, participatory budgeting, participatory financial management and procurement, and grievance redress. Annex 1 contains a glossary of the tools covered by this note and Annex 2 categorizes them according to some of their main attributes.

Why Pursue DFGG?

DFGG provides many benefits. These include (1) better development outcomes, such as improved service delivery, improved program effectiveness and public expenditure efficiency, reduced corruption, and improved governance; (2) more effective institutions, processes, and systems through user feedback mechanisms, community monitoring, and stronger linkages between local governments and CSOs; and (3) better projects through increased community participation, inclusion, and improved targeting.

DFGG has many costs. It takes time, money, and manpower. The costs tend to be upfront while the benefits often take much longer to materialize. Despite the upfront costs, DFGG is often cost-effective over the long run because it assists the project in achieving sustainable development outcomes.

DFGG has risks as well. Because it is political by nature, it can create tensions between citizens and authorities and trigger government reprisals against citizens. DFGG can have unintended impacts if it unfairly gives greater voice to those CSOs that are better able to participate rather than those that represent community interests. The depth of citizen involvement may be superficial. DFGG can lead to disorganization of the bureaucracy if subjected to competing demands. Projects often apply DFGG approaches superficially, without the due diligence and rigor necessary for improving transparency, participation, and accountability. Furthermore, the 3- to 5-year project approach may often not be best suited for long-term DFGG approaches since they often require longer gestation periods for visible results.[2]

Even when DFGG is not risky, there are limits to what it can achieve or where it can be effective. DFGG may not be as effective when governments do not have the capacity or financial means to sustain improvements in services, even if they are responsive. Even when DFGG is effective, it is often a one-time demonstration or pilot project. In such cases, the initiative is not sustained, especially if it was supported by external funding, which has often been the case. Institutionalization and sustainability may turn out to be difficult and complex.

Despite these risks, DFGG is especially relevant to World Bank operations. The Operational Policy (OP 8.60) for development policy lending (DPL) requires consultation and participation. The access to information policy requires public access to key project-related information. Fiduciary policies and Bank procedures (OP/BP 10.02) require disclosure of financial statements and complaints-handling systems for procurement. The environmental assessment, indigenous peoples, and involuntary resettlement policies (OP/BP 4.01, 4.10, 4.12) require consultation, disclosure, and grievance mechanisms. The gender policy (OP/BP 4.20) requires a focus on participation and the needs of women.

2. DFGG approaches have been more successful in projects that have been implemented over several phases.

But the relevance goes far beyond what Bank policies require. The greater emphasis on transparency and accountability within Bank projects (investment lending reform, the ORAF framework, disclosure policy) makes DFGG more central. DFGG is useful as a risk assessment tool. DFGG, through third party monitoring, increases pressure for results. Grievance redress increases effectiveness of Bank projects.

Another reason for the recent emphasis on DFGG is the changing global context. There are several external drivers for DFGG. First is the rising number and networking power of CSOs. Second is the increasing spread of decentralization reforms, which enables DFGG. Third is the spread of information and communication technologies (ICT). This can increase information about government actions and services, reduce the distance and time for the delivery of information and feedback, increase the number of participants who can be engaged in accountability exchanges, transform relatively small actors such as NGOs into powerful national and regional players, and decrease the transactions costs of collective action. The result of these multiple trends is that individual citizens and groups of citizens are more able to contribute to governance processes. Box 2 provides an example of the role of ICT for one DFGG tool, participatory budgeting.

BOX 2
ICT for Participatory Budgeting in Belo Horizonte, Brazil

Participatory budgeting (PB) began in Brazil in the southern city of Porto Alegre, Brazil, in 1990. Less than 20 years later, it has spread to more than 200 cities throughout Brazil as well as many other counties in Latin America, Africa, Europe, and Asia. ICT has been used to make PB more accessible, especially to the poor.

In 2006, electronic PB (e-PB) was added to a longstanding PB process in Belo Horizonte. People could vote electronically by using the internet or by phone. There were 178 public voting centers with trained personnel for assistance. Internet and cell phone access was provided by supporters. An internet equipped bus, which travelled to voting sites, made e-PB even more accessible by coming to the voters. There was a 42-day e-voting period.

A total of 172,938 people voted. About 7.5 percent of residents participated in e-PB. The highest turnout was in the poorest areas. Other Brazilian cities have seen ever-higher participation rates. In Itapinga, 31,000 geographically targeted phone calls and 3,000 text messages inviting citizens to PB assemblies led to a 16 percent increase of participation in selected districts compared to a 14 percent decrease of participation in non-participating districts. ICTs have expanded participation, helped reach the poor, and reduced transaction costs. Both government and citizens have benefitted. This has led to expanded use of ICT in PB in several cities in Brazil.

How Can DFGG Mechanisms Be Introduced in Projects?

The five-step process presented in this section is designed to help project teams determine the applicability of various DFGG mechanisms and incorporate them into projects.

Step 1: Identify and prioritize DFGG concerns and opportunities;
Step 2: Assess the political, legal and social context for DFGG activities;
Step 3: Select DFGG activities to address concerns and opportunities given the context;
Step 4: Decide on implementation modalities for DFGG activities (actors, budgets, timing); and
Step 5: Decide on follow-up and institutionalization of DFGG activities (monitoring and evaluation, sanctions, incentives).

Annex 3 provides a checklist of each of the five steps that can be used to record decisions and actions taken in order to integrate DFGG into a project.

Step 1: Identify and Prioritize DFGG Concerns and Opportunities

Step 1 in integrating DFGG mechanisms into projects is to identify and prioritize DFGG issues. This has two parts:

1. **Map key project outcomes, activities, and implementation levels that are supported by the project.** This helps identify entry points for DFGG initiatives. It helps anchor DFGG activities in project components. One effective way of doing this is to map the flow of funds, goods, and services for each project activity from the origin to the end user. This makes it easier to identify entry points for various DFGG mechanisms. Table 1 provides some examples of project outcomes, activities, and levels.
2. **Identify governance concerns and opportunities associated with the project.** These can include risks like corruption, elite capture, absenteeism, and political interference. It also includes performance and service delivery issues that the project may want to influence such as staff attitudes toward clients, delays in response, lack of capacity, service quality, etc. It should also include opportunities for enhancing project effectiveness and targeting benefits as well as other means of achieving project objectives.

TABLE 1
Sample Project Outcomes, Activities, and Levels

Outcomes	Activities	Levels
• Increased access to services • Increased utilization of services • Increased incomes/livelihoods • Institutional strengthening • Better management of resources	• Infrastructure construction • Service provision or delivery • Cash transfer or grants • Capacity building • Technical assistance • Project management	• National • State or province • District or commune • Village, community, or facility • Individual or household

DFGG is more about making projects better than about avoiding or mitigating risks.[3] Some specific questions about the DFGG opportunity or concern include the following:

- What entitlements and rights are available to service users or project beneficiaries?
- What risks, concerns, and opportunities do you want to address (e.g., lack of information)?
- What sector or service is addressed and at what level of government (e.g., school management)?
- Whose voice do you want to articulate (e.g., youth, the poor, women, service users)?
- What are the existing incentives and disincentives (sanctions/rewards) to achieving DFGG goals?

Once the DFGG issues that the task team wishes to address at least partially through DFGG activities have been identified, they can begin the process of narrowing down which DFGG tools might be helpful in addressing the issues. Trying to address all the DFGG issues would be too ambitious. Therefore, part of Step 1 is to prioritize DFGG issues.

Step 2: Assess the Political, Legal, and Social Context for DFGG Activities

The second step in integrating DFGG mechanisms into projects is to make a rapid assessment of the context for DFGG activities. This helps to further narrow the range of potential DFGG activities and to identify DFGG entry points. The assessment typically includes a review of previous DFGG experience in the country through contacting relevant stakeholders to discuss challenges, plans, and resources to support future DFGG initiatives. This helps integrate any project DFGG activities into ongoing DFGG efforts. The assessment can include the following types of analysis:

- **Legal**—country legal framework, access to information, legal status of CSOs;
- **Political**—reasons for insufficient accountability, the environment for civic engagement; and
- **Social**—stakeholder mapping and analysis of their capacities.

This assessment is based mainly on existing information, not a separate assessment. It can be based on part of the Country and Policy Institutional Assessment (CPIA), country social analysis, Poverty and Social Impact Analysis (PSIA), and project social assessment. Some suggested diagnostic questions about the context include:

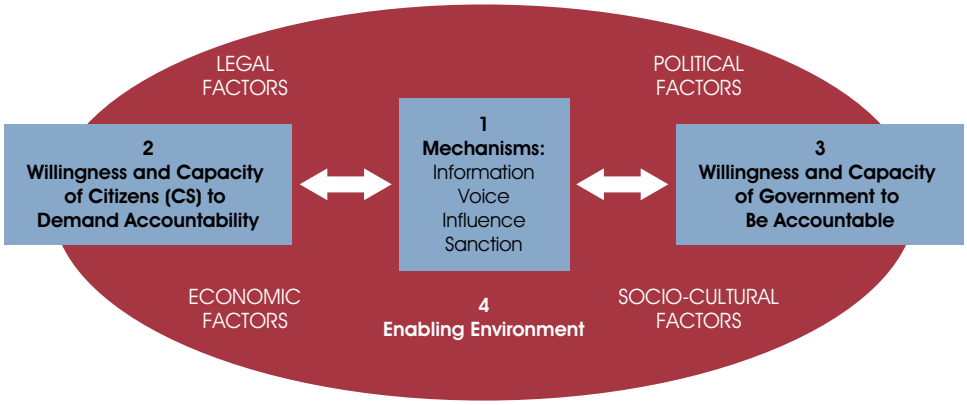
- What are the existing demands and practices that support DFGG?
- Which groups and coalitions can be mobilized to support DFGG?
- What are some strategic entry points for DFGG?

3. This step is part of the Operational Risk Assessment Framework (ORAF) and results framework process; so this should be completed by the project concept note review.

Critical Factors and Enabling Conditions

DFGG initiatives rely on a broad range of political, institutional, cultural, and historical preconditions. Changing accountability relationships is not easy and cannot simply be done by applying simple technical tools or formulas. The following four elements, as depicted in Figure 1, have proven critical to the success of DFGG initiatives.

FIGURE 1
Critical Success Factors for DFGG



1. **Citizen-state bridging mechanisms** (i.e., mechanisms for information exchange, dialogue, and negotiation between citizens and the state). This can involve the introduction of new tools for citizen–state interaction or the reform of existing mechanisms.
2. **Willingness and ability of citizen and civil society actors to demand government and service provider accountability.** Capacity development for CSOs and citizens is often required, in technical areas and in mobilization, coalition-building, negotiation, and advocacy.
3. **Willingness and ability of service providers and policy makers to be accountable to the public.** Transparency and information disclosure, attitudes, skills, and practices favoring listening and constructive engagement with citizens are critical.
4. **The broader enabling environment.** Four key areas of an enabling environment include (1) the policy, legal, and regulatory environment for civic engagement; (2) the type of political system, how much political freedom is granted, and a tradition of open pluralistic debate; (3) the economic basis and financial viability of different forms of civic engagements; and (4) the values, norms, and social institutions present in a particular society that support or inhibit open and pluralistic debate and critical but constructive engagement.

Some aspects of the enabling environment are so critical that they can almost be considered prerequisites for DFGG. An unfavorable environment does not mean that DFGG activities cannot be pursued. However reforms to create a more enabling environment (e.g., the right to information legislation) can be critical to achieving effective and sustainable DFGG outcomes. Most actions by government, civil society, development partners, or other actors that promote DFGG usually fall into these four key areas. In order to be effective, DFGG mechanisms often need to be preceded or complemented by efforts to

enhance the willingness and capacities of citizens, civil society, and government actors to engage in actions to promote a more enabling environment.

Even the best designed DFGG mechanisms and institutions will have little impact on downward accountability if the critical factors and enabling conditions are not in place. The specific factors and conditions will vary depending on the national and local context and can be categorized into supply-side (government) or demand-side (citizens/civil society) factors.

Supply Side Factors

Transparency and access to information. A crucial precondition for any DFGG initiative is free access to relevant information. This allows key stakeholders to exercise their right to ask questions and engage in independent monitoring, public oversight, and more meaningful co-management arrangements.

Decentralization of functions, funds and officials. In many countries, decentralization has opened new avenues for stronger DFGG processes. When funds are managed at the local level, this raises the likelihood for the funds to be spent according to local preferences and increases accountability to local constituencies.

Institutional reform. Through institutional reforms, government can influence the incentive structure to increase responsiveness and accountability. Developing a performance-based reward system with variable salary elements can influence staff behavior in the desired direction. This often requires the development of performance standards and codes of conduct, which help to benchmark service standards and individual behavior.

Attitudes and capacity of local government officials. The attitudes and values of government officials greatly affect the potential for DFGG, and influence the choice of DFGG tools to be adopted. Consequently, many capacity-building efforts have focused on influencing the values, perceptions, and skills of government officials to engage with citizens in a more participatory manner.

Demand Side Factors

Effective use of information. Information needs to be used to build a solid base of evidence to make effective claims. Citizens and CSOs often lack the technical knowledge and skills needed to analyze aggregated budgets or collect data. DFGG initiatives therefore often entail capacity building activities in these areas.

Client voice. An even greater challenge is for the information to gain influence, be it in policy debates, budget or human resource management decisions, large scale procurement or the management of service providers. Public dissemination and debate are required, often with the help of the media. Advocacy campaigns, direct negotiations with policy makers and providers, and coalition building with other actors are needed. It is a challenge to enable citizens and service users, particularly from marginalized groups, to articulate their preferences and feedback. A related challenge is how to aggregate the voices of different social groups.

Client power. A successful way to strengthen client power in service delivery is to institute arrangements that go beyond co-management and public oversight mechanisms to ones that hand over resources and decision-making authority to communities. Service providers can be given greater freedom provided that accountability frameworks are well defined. Box 3 lists factors that constrain citizen participation in DFGG initiatives.

BOX 3
Constraints to Citizen Participation in DFGG Initiatives

It is common to see many services where, despite strong dissatisfaction, citizens do not hold service providers accountable. While some of the reasons for this have to do with supply-side context, others have to do with the characteristics of the local civil society.

- **Dependency on personal relationships for access to critical local goods and services.** Dependency can mean that poor people pay a high cost if their demands for accountability offend those in control of local goods and services. In extreme cases, demanding accountability may result in social exclusion from the community.
- **Perceptions about the effectiveness of the DFGG mechanism.** People will take into account the success of previous DFGG efforts in their calculation about whether or not to engage in DFGG. Unresponsive or corrupt local officials, who are often allied with the local elite, tend to dissuade people from engaging in DFGG initiatives.
- **Awareness about citizens' rights.** One of the most important capacities that citizens need is the awareness of the basic notion of citizenship. Within a democracy, these citizens are entitled to demand accountability from civil servants; but this notion is unfamiliar to citizens in many politically sensitive settings.
- **Social capital, social mobilization, and networking.** Citizens will have a better chance of demanding accountability if they interact with service providers through representative organizations rather than individually.
- **Technical capacities.** Poor people need the skills to interpret a budget, to understand the different revenue sources, and to decipher the information contained in financial records.
- **Transparency and the local media.** Local media organizations have a critical role to play in enhancing the relationship between citizens and service providers. It gives citizens a channel to educate themselves about government performance and publicize their views on performance concerns. In areas where the local media is not developed, people remain unaware of their entitlements, service standards, or government programs.

Step 3: Select Tools to Address the DFGG Issues Given the Context

The third step in integrating DFGG mechanisms into projects is selecting appropriate DFGG tools and mechanisms. Five major characteristics that require consideration during the selection process are: (1) primary objective of DFGG in the project, (2) the extent to which a given initiative is dependent on government cooperation, (3) the complexity or difficulty of implementing the DFGG activity, (4) DFGG capacity and experience among

stakeholders, and (5) cost and time considerations. These are addressed below in more depth. Annex 2 categorizes DFGG tools on the basis of these characteristics.

Primary Objective of the DFGG Tool

The first way to narrow the choice of DFGG tools is to identify those that can address the concerns identified in Step 1. Most DFGG tools and methodologies can be divided into three categories by DFGG objective: (1) those that increase transparency; (2) those that enhance service-provider accountability to citizens; and (3) those that improve consultation, participation, and feedback of citizens. Often DFGG tools have multiple objectives. For example, community scorecards increase transparency, redress grievances, enhance accountability, and strengthen citizen participation through joint action plans. Table 2 categorizes DFGG tools according to the main objective of each tool while recognizing that each tool can achieve multiple objectives. Within these three main categories are subsets of tools clustered around a DFGG concern (for example, participatory monitoring primarily increases accountability of service providers to the service users, but also promotes transparency and citizen participation.

Even within these broad categories, there are many more distinctions that help guide the selection of the appropriate DFGG tool. Some tools are more appropriate at a sector or national scale while others are more geared toward the local level. Among the tools for participatory monitoring, community monitoring and community scorecards are more suitable for the community level where face-to-face interaction is key. Citizen report cards are better able to address larger populations through sampling methods and quantitative approaches. But some projects have used both or have created hybrid tools. There are no hard and fast rules on which tools to use. It depends on which tools are the most feasible in addressing the specific DFGG concerns. Table 3 shows three categories of citizens' concerns and how DFGG tools can help address these concerns.

TABLE 2
Primary Objective of DFGG Tools

Transparency	Accountability	Participation
Information Dissemination and Demystification • Public reporting of expenditures • Public displays of information • Information Campaigns • Budget Literacy Campaigns • Independent Budget Analysis • Citizens' Charters	**Participatory Monitoring** • Community Monitoring • Community Scorecard • Citizen Report Card • Social Audit **Financial Management** • Procurement Monitoring • Participatory Physical Audit • Public Expenditure Tracking • Input Tracking • Community Oversight • Integrity Pacts **Complaint Handling** • Grievance Redress Mechanism • Public Hearings • Citizens' Juries	**Participatory Decision Making** • Participatory Planning • Participatory Budgeting **Participatory Management** • Community Management • Community Contracting • User Management Committees • Citizen/User Membership in Decision-Making Bodies

TABLE 3
Sample DFGG Tools to Address Different Issues

DFGG concern	How DFGG can help	Sample DFGG tools
People do not know their rights and entitlements.	Such people need to be informed about their rights and entitlements.	• Public Displays of Information • Information Campaigns • Budget Literacy Campaigns • Citizens' Charters
People are aware of their rights and entitlements, but do not know what to do with this information or how to assert their rights.	Such people need assistance from, for example, a CSO, to act as an intermediary to inform and support them in asserting their rights	• Participatory Planning • Participatory Budgeting • Community Management • Citizen/User Membership in Decision-Making Bodies
People believe that their rights have been violated.	Such people need assistance in protecting their rights.	• Grievance Redress Mechanism • Public Hearings • Citizens' Juries

Government Cooperation

While there is no set order among criteria for selecting a DFGG tool, the choice is affected by the legal, political, and social context identified in Step 2, especially government attitudes toward DFGG, a free press, and contested politics. Most DFGG initiatives are highly dependent on government cooperation because of the need for access to government information. Often the DFGG initiative selected for a project is based on taking advantage of opportunities available because of the presence of a DFGG champion. As a country becomes more conducive to DFGG, more advanced DFGG initiatives are viable. Given the dependence on local context, there is no fixed preference for one DFGG tool over another. The relative merits of alternative strategies for strengthening DFGG initiatives need to be evaluated on a case-by-case basis. Box 4 suggests DFGG strategies for both conducive and challenging local contexts.

Therefore, depending on the context, a number of DFGG tools can usually be eliminated. If the project context is unsupportive or even hostile, and if there are few laws protecting the right to information and collective action, then information activities are probably necessary as a first step. Citizens need access to information before they can participate effectively and demand accountability. If the project context is supportive of DFGG, then DFGG tools that give citizens and civil society decision-making power can be considered. DFGG tools for participation usually require governments to share decision-making responsibilities such as participatory budgeting and participatory planning, or to delegate authority such as community management or community contracting. Initiatives with a one-sided focus on civil society are usually unsustainable and best avoided.

Technical Complexity

DFGG initiatives vary greatly in their complexity and the level of technical expertise required. The choice of tool can be further narrowed based on DFGG capacity and experience among stakeholders, especially citizens themselves. While some project locations might not have stakeholders with the requisite skills to implement certain DFGG tools, CSOs and others with the skills might be brought in to provide or teach the skills. Public display

BOX 4
Tailoring the DFGG Strategy to the Local Context

The appropriate DFGG initiatives are highly dependent on the context of a given country.

Where the legal framework and political will to allow civil society participation is weak to non-existent, an appropriate DFGG strategy might be to highlight prevailing conditions and international DFGG initiatives, describe the benefits that can accrue to government from greater DFGG, conduct opinion polls to show negative impacts on public service delivery, press for greater access to information and transparency in public expenditure management, and build alliances with other like-minded forces inside and outside government.

Where the legal framework and political system permits access to information, civil society has strong capacity, and government willingness to engage is strong, a viable approach may be to explore the possibility of promoting DFGG initiatives such as public expenditure tracking, investigative journalism, procurement monitoring, information demystification, and e-procurement, and transparency portals.

and reporting of information is usually not technically complex. On the other hand, budget tools—such as independent budget analysis, input and public expenditure tracking, and procurement monitoring require a fairly sophisticated analysis of budgets and contracts. Stakeholder capacity to implement the tool is not the sole consideration; more complex tools generally require more financial and management resources, and may pose more challenges to achieving the desired results.

Citizen Participation

Some DFGG tools require much greater citizen participation to implement. For example, disseminating information requires less citizen participation because citizens can be the recipients of information without taking action themselves to make the information available. On the other hand, most DFGG tools for consultation, participation, and monitoring require significant citizen participation, although some can rely on CSOs. For various reasons, citizen participation might be much harder to mobilize in certain project contexts. For example, the context might inhibit their participation, they might lack the technical skills to participate effectively, or they might have other priorities for their time. The number of citizens that need to participate also greatly varies, even with the same DFGG tool. For example, participatory budgeting can mean including citizens on a committee with budget decision-making authority, or it can mean tens of thousands of citizens participating in public budgeting assemblies as is the case in many Brazilian cities (discussed in Box 2).

Cost and Time Considerations

DFGG tools vary widely in the amount of time and resources required. Cost and time is affected by whether the tool is applied once, periodically, or continuously. The choice of a DFGG tool should not be driven by available resources, but rather by the problem to be solved. However, lack of resources may constrain the choice of tool or its breadth of application. For example, citizen report cards rely on experienced organizations with specialized professional quantitative research skills. This takes significant time and money. Some of the information tools—such as public displays of information—are not time-consuming

or resource-intensive and may be a good place to start. Annex 4 provides indicative costs incurred while applying DFGG tools in a few pilot projects. The costs ranged from US$15,000 to US$55,000, but were affected by the number of DFGG sites, the cost of labor, and by the tool itself.

Selecting the DFGG Tool

DFGG initiatives should not be selected or designed unilaterally by the task team but instead after consultation with stakeholders and identification of a champion. A good starting place is to provide meaningful information about the project to different stakeholder groups. Then one can solicit their views and concerns using methods and forums appropriate to them. It is important to provide timely feedback to the participants, document the decisions taken, and provide copies to the stakeholders, even those that may be affected but did not participate in the design process. They might become involved later on.

Based on all the above considerations, suggested next steps are to: (1) identify a few candidate DFGG approaches or mechanisms that might be a good fit for the geographic area, (2) conduct a brief diagnostic of the area to and identify concerns and assess risks, (3) review some of the main characteristics of the candidate approaches to see how they fit with the diagnostic, (4) select the best DFGG approach and implementation agency through a consultative process, and (5) develop a first-cut strategy for an initial pilot project which can be subsequently expanded. Selecting the DFGG tool is not a one-time task, but an ongoing, iterative process with learning and adaptation along the way.

Sequencing DFGG Tools

When more than one DFGG tool is incorporated into a project, it is usually better to sequence the tools rather than attempt to implement them all at once. Some DFGG tools will be linked to project activities, so the sequencing will be determined by the project. For example, information tools may need to be implemented first because they are prerequisites for other DFGG activities. Tools for information disclosure and dissemination are often easier so it often makes sense to start with them and then build on early successes before tackling more difficult tools such as those for accountability. It may be tempting to select multiple DFGG tools, but being selective and focusing on the most promising DFGG activities increases the chance for success.

Step 4: Decide on Implementation Modalities (Actors, Budgets, Timing)

The fourth step is to decide the details for implementing the DFGG intervention. Annex 3 provides a checklist that can be used to record decisions and actions taken in integrating DFGG into a project. While it may be evident where DFGG mechanisms need to be introduced, in some cases project teams may need to rely on DFGG specialists during the project preparation process to determine cost implications and identify synergies with existing project sub-components for optimal cost-effectiveness and impact. DFGG specialists are especially useful in conceptualizing the big picture by selecting and

sequencing DFGG tools, understanding the implications of the context for the choice and integration of DFGG tools, linking them to project activities, and planning for institutionalizing and scaling up DFGG.

Tips for Undertaking DFGG Initiatives

There are many different factors to consider in designing and implementing a DFGG mechanism. DFGG is more than just tools. In the words of one experienced practitioner, "DFGG is 80 percent political and 20 percent technical." Although the methods and tools outlined in this note are an important aspect of promoting DFGG, the ultimate success of DFGG initiatives depends upon the context in which these tools are used, the principles and values that guide their use, who is involved, and how they are involved. DFGG is as much about changing mentalities, building relationships, and developing capacities as it is about introducing mechanisms and tools. Table 4 provides suggestions for undertaking operational DFGG work.

Main Tasks in DFGG Initiatives

There are six building blocks for any successful DFGG initiative: (1) mobilize around a priority issue, (2) collect information, (3) analyze the information, (4) disseminate the information, (5) rally support and build coalitions around the issue and the information, and (6) advocate and negotiate change. With these building blocks in mind, project teams should focus on the following logistics for implementing the DFGG initiative:

- **Funding**—assess availability of project funds, trust funds or other funding sources for DFGG initiatives.
- **Timing**—match the sequence for implementing DFGG tools with project implementation.
- **Actors**—identify partners (CSOs, champions, project officials)
- **Supervision and monitoring**—integrate DFGG indicators within overall project M&E (i.e., management information systems and supervision arrangements).
- **Communication**—include DFGG aspects in existing communication plans.

Supervising DFGG Mechanisms

To ensure that DFGG tools incorporated into various project components are implemented properly in the field, a sound and robust supervision plan is needed. Supervision of DFGG project activities should be ongoing with a stocktaking of impact during midterm review activities. More supervision will be required during the early operational phase of the project when the DFGG tools are being initiated. Box 5 describes an example of the need for and results from supervising DFGG in a Bangladesh project.

The amount of time the World Bank spends supervising the DFGG initiative depends on the time anticipated to implement these activities and should be part of the supervision plan. Some key questions to ask at this stage are (1) How is communication flowing? (2) Are there feedback loops from government to civil society? (3) How is this feedback being used to change processes? Benchmarking is recommended to ensure that the change

TABLE 4
Tips for Undertaking DFGG Initiatives

Issue or concern	Suggested good practices
Introducing DFGG initiatives	• Pilot DFGG initiatives in organizations that have some commitment to act upon the input provided. • Transparency mechanisms may be easiest to start with as they tend to be less expensive and easier to implement. • Simplify DFGG for easy comprehension.
Ambitiousness of DFGG initiatives	• Do not overload the project with too many DFGG initiatives. • Do not be too ambitious with the first DFGG initiative.
Complement formal accountability mechanisms	• DFGG mechanisms should strengthen and complement the oversight role of conventional mechanisms rather than undermine or replace them. • Where possible, base DFGG on existing legislation or processes.
Working with government	• Create incentives for government to accept and support DFGG. • Focus on how DFGG initiatives can contribute to shared goals. • Use commonly understood terms and concepts such as improved service delivery. • Consider focusing initially on freedom of information, access to information, or strengthening the capacity of public institutions to make information available. • Emphasize constructive engagement; it helps build government buy-in. • Use DFGG mechanisms to improve government performance rather than obstruct it. • Align incentives so that service providers are convinced about the benefits of DFGG.
Working with reluctant governments	• Determine what is feasible when engaging with reluctant governments. • Be careful with terminology so as not to alienate potential collaborators. • Collect and disseminate data for constructive dialogue. • Discuss potential benefits before launching a DFGG initiative. • Demonstrate the usefulness of DFGG through a limited initiative or pilot. • Consider working with local governments that may be more open to DFGG.
Building support for DFGG	• Identify champions within and outside government who are willing and capable of carrying the DFGG agenda forward. • Build alliances with reform-minded forces within government and parliament as well as with NGOs and other stakeholders. • Act as a convener to work with or build reform coalitions.
Working with CSOs	• Select respected, experienced CSOs. • Engage with nontraditional civil society actors. • Be realistic about what CSOs can achieve. • Allow sufficient time for consultation and training.
Working with the media	• Use and support all media outlets (print, broadcast, and electronic). • Even if the media may not be directly involved in implementing the DFGG initiative, it can increase DFGG impact through public awareness. • The quality and accessibility of public information and data is a key determinant of the success of DFGG mechanisms. • Develop a well-designed communication strategy that clearly supports and transmits the DFGG message and builds sustainable coalitions for change.
Reaching the marginalized	• Reach out to the marginalized, give voice to the unheard, and empower the weak. • Design explicit strategies and dedicate specific resources toward ensuring the equitable and effective inclusion of women, youth, poor people, and other marginalized groups in DFGG initiatives.

BOX 5
Supervising and Strengthening DFGG: The Bangladesh Social Investment Program Project

The Bangladesh Social Investment Program Project (SIPP) had an ambitious design, including many DFGG activities. The quality and content of the information used for public display was impressive. High-quality work was evident with regard to social mobilization, community empowerment, targeting, participatory planning, and development of local institutional capacity. Even the poorest and most vulnerable groups contributed 15 percent of the community infrastructure work towards their share.

Nonetheless, supervision teams found that the project-created village institutions were not inclusive, did not share information with other community members, and were often dominated by higher-income groups. There were inadequate checks and controls at the village level, as well as a lack of downward accountability. Some rich community members tried to infiltrate village institutions or create confusion among community members. Land donated by village elites was used to influence the selection of officeholders or beneficiaries of the grants, or interfere with the functioning of village institutions.

A special thematic supervision team reviewed project procedures from a DFGG perspective. About 25 community resource persons joined the mission and reviewed village-level compliance and activities. The team developed a Governance and Accountability Action Plan, which ensures communities adhere to good governance practices and address cases of abuse and noncompliance before these practices take root. The team highlighted the need for training in preventive measures for good governance so that they could deal with problems such as solicitation of bribes, conflicts, exclusion, and lack of participation in community meetings. The Governance and Accountability Action Plan was validated and revised through workshops with the communities and other stakeholders. The Action Plan has been updated with 101 mitigation measures, 39 of which were recommendations from the Action Plan's review workshops.

process is on track. To be effective, monitoring needs to be dynamic, have close links with government actions, be integrated with government management information systems, include village-level monitoring, and include DFGG indicators. Annex 5 provides some examples of DFGG indicators.

A third party, such as a CSO, can be entrusted with the supervision of DFGG activities after the World Bank team feels confident that all activities are well underway. To divest supervision responsibilities, specific monitoring indicators, monitoring plans, and reporting procedures need to be elaborated in the supervision plan and the operational manual.

Integrating DFGG into the Project Cycle

Once all the tasks have been identified, they need to be integrated into the project. Table 5 lists the main DFGG tasks and where they usually fit into the project cycle. The emphasis is on DFGG design, the main focus of this note.

TABLE 5
Integrating DFGG into the Project Cycle

Project Step	Tasks
Project Concept Note	• Diagnose the context for DFGG. • Explore the relevance of DFGG tools to address governance issues and risks. • Develop government and stakeholder buy-in.
Design and Preparation	• Design project and select DFGG tools. • Identify and engage the key stakeholders who will lead DFGG initiatives. • Analyze proposed DFGG initiatives: risks, impact, costs, and benefits.
QER	• Prepare DFGG initiatives, including the project's disclosure strategy. • Estimate Bank costs and resources needed to prepare and supervise DFGG measures.
Appraisal	• Appoint focal points for managing DFGG initiatives. • Integrate DFGG mechanisms into the Operations Manual, TORs, Results Framework, etc. • Initiate planning and mobilization for rollout of DFGG initiatives.
Supervision	• Ensure that implementation is following the design. • Ensure that findings from initiatives are being followed-up and influence project management. • Record DFGG-related indicators in ISR.
Evaluation	• Assess the impact of DFGG initiatives in terms of improved governance and project outcomes through specific intermediate and outcome indicators.

Step 5: Decide on Follow-up and Institutionalization (M&E, Sanctions, Incentives)

Even while designing the DFGG initiative it is important to develop a strategy for institutionalizing the DFGG initiative over the longer term. Too many DFGG initiatives are one-off exercises, especially at the project level, and have little lasting impact. The following measures should be considered as ways to facilitate institutionalization and sustainability:

- Translate DFGG instruments, manuals, toolkits, and other materials into local languages.
- Support networking, experience-sharing, and peer support among DFGG practitioners.
- Promote close links between government officials, media, NGOs, and communities.
- Support ways of increasing the comfort level and recognition of supporters in the government and the implementing agency.

Incentives and rewards (e.g., performance-based disbursement, best practice awards) should be instituted for implementing or responding to DFGG tools. Project management should agree on how they will respond to and take action upon feedback, suggestions, and complaints emerging from DFGG tools.

Once the DFGG pilot has achieved some initial success, it may be time to scale up. Institutionalization of DFGG initiatives is complex and difficult, and often needs to be planned from the beginning. DFGG requires time for implementation and acceptance. Institutionalization requires long-term funding and commitment to DFGG, and the

availability of quality facilitators. Therefore, it is important to focus on technical assistance and to provide training during early DFGG activities to develop the cadre of practitioners and facilitators that can carry the work forward. This means investing more upfront, especially as DFGG tends to have a long gestation period, but those investments will pay off as each cadre of DFGG practitioners trains another group in a cascade that multiplies. The objective is to achieve a critical mass of trained practitioners and facilitators so that DFGG moves from pilots towards mainstreaming.

Most projects include capacity-building components, which tends to occur during three stages of the DFGG initiative: (1) orientation and launch, (2) implementation, and (3) validation and dissemination of results. Training on selected DFGG initiatives for civil society and government actors should be included in capacity-building components of the project for long-term sustainability and effective scale-up. In fact, joint capacity building is a bridging strategy; it is important to avoid a one-sided approach when strengthening civil society capacity while not considering improving government capacity. The capacity-building process requires: (1) engaging partners and building consensus, (2) conducting a capacity needs assessment, (3) defining capacity-building strategies, (4) implementing the strategies, and (5) monitoring and evaluation.

One last task is to measure the impact of DFGG initiatives. Impact evaluation can help quantify the impact of DFGG such as (1) the awareness it creates in the community; (2) identifying cases of irregularities, corruption, and poor governance; and (3) improvements in service delivery. When stakeholders, especially government and service providers, can see evidence of DFGG impacts, then they may be motivated to help sustain DFGG initiatives. Compilation and aggregation of information, including benchmarks, are useful for assessing the impacts. Some common strategies of measuring impact are comparing the program group with a control group, comparing the present situation with the pre-program baseline situation, and tracking impacts over time through multiple surveys. Impacts can be determined through physical observation, secondary data from records, randomized evaluations and control trials, quantitative surveys, qualitative case studies, and stakeholder interviews. Box 6 presents an example of assessing the impact of a DFGG intervention using a citizen report card in Uganda.

Conclusion

In summing up, this note finds that DFGG is a powerful instrument for better development outcomes, more effective institutions, and better projects. DFGG can also create tensions, cause reprisals and unintended impacts, and give voice to well-placed stakeholders rather than the poor and marginalized. DFGG tools are not ends in themselves but a means to improve services and development outcomes. As a long-term process, DFGG needs to be implemented with patience, commitment, and resources. The ultimate success of DFGG depends on the context in which it is used, the principles and values that guide its use, and who is involved.

BOX 6
Case Study of DFGG Impact Assessment: The Uganda Citizen Report Card in the Health Sector

The DFGG intervention in Uganda was to provide communities with information on the status of health service delivery. Through two rounds of village meetings, local NGOs encouraged communities to be more involved with the state of health service provision and to strengthen their capacity to hold their local health providers accountable for performance.

Each community meeting was a two-day event with approximately 100 invited participants from the community. A citizen report card (CRC) and community scorecard (CSC) were used to monitor health service providers. A randomized evaluation included 25 control groups and 25 DFGG interventions within local health facilities. Baseline data was obtained from service providers' records and a survey of a stratified random sample of households within the catchment area of each facility. Approximately 5,000 households were surveyed in each round. The baseline and follow-up survey used a difference-in-differences methodology to measure impacts.

A year after the intervention, the communities that used the DFGG intervention (CRC and CSC) were more involved in monitoring the provider, and the health workers appeared to exert greater efforts to serve the community. Health center users' waiting time was reduced by 14 minutes, there was less staff absenteeism, and clinics were cleaner. There was greater utilization of clinic services in general (20 percent increase), with more prenatal care (19 percent) and more family planning services (22 percent). Child mortality under age 5 was reduced by 53 percent.

Source: Björkman and Svensson 2009.

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Annex 1. Glossary of DFGG Tools

NOTE: Refer to **http://dfggdb** for more detailed information on the following DFGG tools.

Budget Literacy Campaigns are efforts—usually by civil society, academics, or research institutes—to build citizen and civil society capacity to understand budgets in order to hold government accountable for budget commitments and to influence budget priorities.

Citizen Charter is a document that informs citizens about the service entitlements they have as users of a public service, the standards they can expect for a service (timeframe and quality), remedies available for nonadherence to standards, and the procedures, costs and charges of a service. The charters entitle users to an explanation (and in some cases compensation) if the standards are not met.

Citizen Report Card is an assessment of public services by the users (citizens) through client feedback surveys. It goes beyond data collection to being an instrument for exacting public accountability through extensive media coverage and civil society advocacy that accompanies the process.

Citizen/User membership in decision-making bodies is a way to ensure accountability by allowing people who can reflect users' interests to sit on committees that make decisions about project activities under implementation (project-level arrangement) or utility boards (sector-level arrangement).

Citizens' Juries are a group of selected members of a community that make recommendations or action proposals to decision-makers after a period of investigation on the matter. Citizens' juries are a deliberative participatory instrument to supplement conventional democratic processes.

Community Contracting is when community groups are contracted for the provision of services, or when community groups contract service providers or the construction of infrastructure.

Community Management is when services are fully managed or owned by service users or communities. Consumers own the service directly (each customer owns a share) when they form cooperatives.

Community Monitoring is a system of measuring, recording, collecting and analyzing information, and communicating and acting on that information to improve performance. It holds government institutions accountable, provides ongoing feedback, shares control over M&E, engages in identifying and/or taking corrective actions, and seeks to facilitate dialogue between citizens and project authorities.

Community Oversight is the monitoring of publicly-funded construction projects by citizens, community-based and/or civil society organizations participating directly or indirectly in exacting accountability. It applies across all stages of the project cycle, although the focus is on the construction phase.

Community Scorecard is a community-based monitoring tool that assesses services, projects, and government performance by analyzing qualitative data obtained through focus group discussions with the community. It usually includes interface meetings between service providers and users to formulate an action plan to address any identified problems and shortcomings.

Grievance Redress Mechanism (or *complaints-handling mechanism*) is a system by which queries or clarifications about the project are responded to, problems with implementation are resolved, and complaints and grievances are addressed efficiently and effectively.

Independent Budget Analysis is a process where civil society stakeholders research, explain, monitor and disseminate information about public expenditures and investments to influence the allocation of public funds through the budget.

Information Campaigns are processes to provide citizens with information about government plans, projects, laws, activities, services, etc.. A variety of approaches can be used such as public meetings, mass media, printed materials, public performances, and information kiosks.

Input Tracking refers to monitoring the flow of physical assets and service inputs from central to local levels. It is also called input monitoring.

Integrity Pacts are a transparency tool that allows participants and public officials to agree on rules to be applied to a specific procurement. It includes an "honesty pledge" by which involved parties promise not to offer or demand bribes. Bidders agree not to collude in order to obtain the contract; and if they do obtain the contract, they must avoid abusive practices while executing it.

Participatory Budgeting is a process through which citizens participate directly in budget formulation, decision-making, and monitoring of budget execution. It creates a channel for citizens to give voice to their budget priorities.

Participatory Physical Audit refers to community members taking part in the physical inspection of project sites, especially when there are not enough professional auditors to inspect all facilities. Citizens measure the quantity and quality of construction materials, infrastructure and facilities.

Participatory Planning convenes a broad base of key stakeholders, on an iterative basis, in order to generate a diagnosis of the existing situation and develop appropriate strategies to solve jointly identified problems. Project components, objectives, and strategies are designed in collaboration with stakeholders.

Procurement Monitoring, in the context of DFGG, refers to independent, third-party monitoring of procurement activities by citizens, communities, or civil society organizations to ensure there are no leakages or violation of procurement rules.

Public Displays of Information refers to the posting of government information, usually about projects or services, in public areas, such as on billboards or in government offices, schools, health centers, community centers, project sites, and other places where communities receive services or discuss government affairs.

Public Expenditure Tracking Surveys involves citizen groups tracing the flow of public resources for the provision of public goods or services from origin to destination. It can help to detect bottlenecks, inefficiencies, or corruption.

Public Hearings are formal community-level meetings where local officials and citizens have the opportunity to exchange information and opinions on community affairs. Public hearings are often one element in a social audit initiative.

Public Reporting of Expenditures refers to the public disclosure and dissemination of information about government expenditures to enable citizens to hold government accountable for their expenditures.

Social Audit (also called *Social Accounting*) is a monitoring process through which organizational or project information is collected, analyzed and shared publicly in a participatory fashion. Community members conduct investigative work at the end of which findings are shared and discussed publicly.

User Management Committees refer to consumer groups taking on long-term management roles to initiate, implement, operate, and maintain services. User management committees are for increasing participation as much as they are for accountability and financial controls.

Annex 2.
Characteristics of Common DFGG Tools

DFGG tool	Primary objective	Government cooperation	Technical complexity	Citizen participation	Time required	Cost
Information Dissemination and Demystification						
Public reporting of expenditures	Transparency	Medium	Low	Low	Low	Low
Public displays of information	Transparency	Weak	Low	Low	Low	Low
Information Campaigns	Transparency	Weak	Low	Low	Medium	Medium
Budget Literacy Campaigns	Transparency	Weak	Medium	Low	Medium	Medium
Independent Budget Analysis	Transparency	Weak	High	Low	High	Medium
Citizens' Charters	Transparency	Strong	Low	Low	Low	Low
Participatory Monitoring						
Community Monitoring	Accountability	Strong	Medium	High	Medium	Medium
Community Scorecard	Accountability	Medium	Medium	High	High	High
Citizen Report Card	Accountability	Strong	High	Medium	High	High
Social Audit	Accountability	Medium	High	High	High	High
Participatory Financial Management						
Procurement Monitoring	Accountability	Strong	High	High	Medium	Medium
Participatory Physical Audit	Accountability	Medium	Medium	High	Medium	Medium
Public Expenditure Tracking	Accountability	Strong	High	Medium	High	High
Input Tracking	Accountability	Strong	High	Medium	High	Medium
Community Oversight	Accountability	Strong	Medium	High	Medium	Low
Integrity Pacts	Accountability	Strong	Low	Low	Low	Low
Complaint Handling						
Grievance Redress Mechanism	Accountability	Weak	Low	Medium	Low	Low
Public Hearings	Accountability	Medium	Low	Medium	Low	Low
Citizens' Juries	Accountability	Medium	Medium	Medium	Low	Low
Participatory Decision Making						
Participatory Planning	Participation	Medium	Medium	High	High	High
Participatory Budgeting	Participation	Strong	Medium	High	High	High
Participatory Management						
Community Management	Participation	Strong	High	High	High	Medium
Community Contracting	Participation	Strong	High	High	High	Medium
User Management Committees	Participation	Strong	High	High	Medium	Low
Citizen/User membership in decision-making bodies	Participation	Medium	Medium	Medium	Medium	Low

Note: The classification of each DFGG tool is subjective but based on typical applications. Specific applications of each tool can vary significantly for each characteristic. For example, a tool's cost and complexity would vary if it were applied in many locations.

Annex 3. Checklist for Integrating DFGG Mechanisms into World Bank Projects

Step 1: Identify and prioritize DFGG issues, concerns, and opportunities

- List the types of activities and development outcomes that are supported by the project.
- Map flows of funds, goods, and services for each project activity.
- Identify the governance concerns and opportunities associated with the project.
- Identify entitlements and rights available to service users or project beneficiaries.
- Identify incentives and disincentives (sanctions/rewards) for achieving DFGG goals.
- Identify project specific potential entry points for DFGG initiatives (in conjunction with Step 2).

Step 2: Diagnose the political, legal and social context for DFGG activities

- Conduct stakeholder mapping and analysis of their capacities.
- Identify individuals and organizations within government, civil society, media, academia, and the private sector who can act as champions, facilitators, and opponents for DFGG tools.
- Review legal framework (e.g., access to information, legal status of CSOs).
- Assess political, social and cultural conditions for civic participation.
- Review existing DFGG initiatives and their experience.

Step 3: Select and sequence appropriate DFGG tools given the context

- Consult with stakeholders on choice of DFGG tools and provide them timely feedback.
- Determine extent of government cooperation and civil society involvement.
- Assess attitudes and capacities of government officials and CSOs on DFGG tools and methods.
- Tailor DFGG tools to local context.
- Assess technical and financial requirements of selected DFGG tools.
- Validate initial design.

Step 4: Decide on implementation modalities for DFGG activities (actors, budgets, timing)

- Identify funding—project funds, trust funds or other sources.
- Match the sequence for implementing DFGG tools with project implementation.
- Develop communication strategy to support DFGG initiative.
- Pilot tools, monitor and adjust.
- Expand only after pilot testing.
- Implement and document DFGG initiative.
- Include capacity building for both government and civil society.

Step 5: Decide on follow-up and institutionalization (M&E, sanctions, incentives)

- Integrate DFGG M&E with project M&E/MIS (including DFGG indicators).
- Monitor DFGG implementation and ensure that change process is on track.
- Include citizen and CSO feedback-gathering mechanisms.
- Consider incentives and rewards for implementing or responding to DFGG tools.
- Assess impact of DFGG initiatives.
- Disseminate and validate findings with stakeholders.
- Organize networking, peer learning, and experience sharing of DFGG implementation experience.
- Scale-up successful DFGG initiatives.

Annex 4.
Cost Data for Sample DFGG Initiatives

Project name	DFGG tools	Implementing organizations	Scope of DFGG initiative	Estimated cost
Assessing Healthcare Service Delivery in Andhra Pradesh (in the context of the AP Rural Poverty Reduction Project)	Community Scorecards	The Center for Good Governance (CGG), Hyderabad and the Society for Elimination of Rural Poverty (SERP)	Delivery of health services in 2 Primary Health Centers in 12 villages in Vishakapatnam District, Andhra Pradesh was assessed	$55,000
Designing a Gram Panchayat Performance Monitoring and Rating System in Chhattisgarh (in the context of the Chhattisgarh District Poverty Reduction Project)	Community Scorecards	Society for Participatory Research in Asia (PRIA), New Delhi with technical support from the Public Affairs Foundation (PAF), Bangalore	The performance of 30 Gram Panchayats in 7 districts was rated	$42,500
Evaluating the Mid-Day Meal Scheme in Rajasthan	Public Expenditure Tracking Surveys and Citizen Report Cards	Consumer Unity and Trust Society (CUTS), Jaipur	211 schools in all 14 blocks of Chittorgarh District, Rajasthan were evaluated; feedback from 422 teachers; 2,210 students; 2,210 parents; and 211 cooks was gathered for this pilot.	$29,000
Assessing Health, Education, Sanitation Social Welfare and Panchayat Services in Kerala	Community Scorecards and Citizen Report Cards	Kerala Institute of Local Administration (KILA), Thrissur with technical support from the Public Affairs Foundation (PAF), Bangalore	An assessment of 5 services—health, education, sanitation, social welfare and panchayat services—was conducted in 4 villages	$28,000
Assessing Health, Education, Water Supply and Panchayat Services in Maharashtra (in the context of the Jalswarajya Project)	Community Scorecards	The Tata Institute of Social Sciences, Mumbai, Maharashtra (TISS) in collaboration with Zilla Parishad, Satara	5 different services were assessed in 14 villages in Satara District	$22,000
Monitoring implementation of infrastructure projects through a private-public partnership	Community Scorecards	Transparency Committee of Santa Rosa de Copan and the National Association of Municipalities of Honduras (AMHON)	Delivery of concrete water, sanitation connections and roads was assessed in Santa Rosa de Copan.	$15,000*
Monitoring local solid water management and a municipal health center	Community Scorecards	Catholic University of La Paz (UC)	Two scorecards used to monitor water management and a health center	$15,000*
Improving Governance in Water Supply through Social Accountability, Communication, and Transparency in Wobulenzi, Uganda	Citizen Report Cards	NETWAS-Uganda	CRCs were used to monitor the implementation of the OBA (Output-Based Aid)	$15,000*

Note: The first five pilot projects in India and Sri Lanka were initiated through the TFESSD sponsored "Capacity Building and Piloting of DFGG Initiatives for CDD in South Asia" Trust Fund Window.

*Each application including all dissemination costs.

Annex 5. Illustrative DFGG Indicators at the Project Level

DFGG element	Suggested indicators
Information dissemination	• Percentage of intended beneficiaries that are aware of project information and investments • Percentage of project-supported CSOs that hold public meetings to report on their activities • Percentage of surveyed citizens that know about activities of project-supported CSOs • Percentage of procurement plans, contracts, and tender documents that are published
Grievance redress	• Number of registered grievances • Percentage of grievances resolved • Time required to resolve complaints • Percentage of grievances redressed within stipulated time period • Percentage of complainants satisfied with response and grievance redress process
Participation and consultation	• Number of men and women participating in consultation activities • Participation rate of the poor, vulnerable, and women in planning and decision-making meetings • Percentage of beneficiaries satisfied with project-supported activities • Resources mobilized by community (both in cash and kind) for project-supported activities • Number of project beneficiaries formed into groups or CBOs • Number of project supported organizations implementing participatory methods
Monitoring and oversight	• Number of project-supported organizations that introduce independent monitoring by CSOs • Percentage of project-supported organizations that use feedback provided by independent monitoring • Percentage of monitoring committees (e.g., school management committees) trained in participatory monitoring

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