

# CITIZEN ENGAGEMENT IN OPERATIONS: A STOCK-TAKE OF CITIZEN ENGAGEMENT IN DEVELOPMENT POLICY FINANCING

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Guided by the 2014 *Strategic Framework for Mainstreaming Citizen Engagement in World Bank Group Operations*, the World Bank supports policies, programs, projects, and advisory services and analytics where citizen engagement (CE) can improve development results. While the corporate commitment to mainstream CE targets investment operations, the World Bank teams continue to explore CE in other instruments. *Engaging Citizens for Better Development Results*, a report by the Independent Evaluation Group (IEG), assessed the Bank Group's efforts to mainstream CE. It recommends the World Bank “encourage and support efforts of its regional, country, and Global Practices teams to establish, where appropriate, thick CE that is regular and continuous, uses multiple tools, and is embedded in country systems.” It also suggests this objective could be achieved by more systematically using existing channels of dialogue and stakeholder engagement, including that of Development Policy Financing (DPF), and applying tools at the various levels. Given this context, this *Governance Note* aims to take stock of existing CE practice in DPF by shedding light on the prior action usage.

## THE APPROACH FOR MAINSTREAMING CITIZEN ENGAGEMENT

The World Bank Group's twin goals—ending extreme poverty and promoting shared prosperity—encourage the strengthening of an inclusive society, based on a citizen-state social contract that promotes government accountability: “A sustainable path toward ending extreme poverty and promoting shared prosperity would also involve creating an inclusive society. ... An inclusive society must have the institutions, structure, and processes that empower local communities, so they can hold their governments accountable” (World Bank Group 2014a). Citizen engagement is an approach to achieve the twin goals in a sustainable manner.

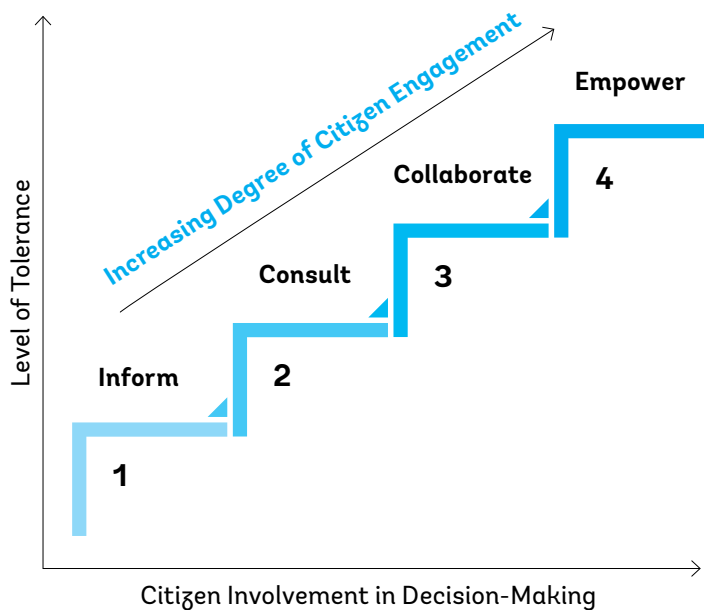
The 2014 Strategic Framework introduced CE as “the two-way interaction between citizens and government (or the private sector) for better development outcomes.” CE activities are defined by the levels of interaction between two actors, including inform, consult, collaborate, and empower<sup>2</sup> (see figure 1). Because transparency-focused activities under “inform” typically entail a one-way interaction, they alone do not meet the definition of CE, according to the Strategic Framework. However, the framework acknowledges that access to information

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<sup>2</sup> The Strategic Framework defines the dimensions as follows: (i) inform—providing citizens with balanced and objective information to assist them in understanding the problem, alternatives, opportunities, and solutions; (ii) consult—obtaining citizen feedback on analyses, alternatives, and decisions; (iii) collaborate—partnering with citizens in parts or all of decision-making; and (iv) empower—final decision-making in the hands of citizens (World Bank Group, 2014b, 8).

and other information sharing and awareness raising activities under “inform” is a prerequisite enabling condition for effective CE (World Bank Group 2014b). In addition to CE dimensions, this Governance Note uses the term “CE elements,” which refers to the CE dimensions and the enabling environment for CE, such as access to information laws.

**Figure 1. Dimensions of Citizen Engagement**



Source: World Bank Group (2014b).

## CITIZEN ENGAGEMENT IN DEVELOPMENT POLICY FINANCING

DPF is the lending instrument often used to establish and strengthen the enabling environment for CE. It supports a client country’s program of policy and institutional actions that promote growth and sustainable poverty reduction. DPF supports reforms predominantly in public sector governance to strengthen public financial management (PFM), improve the investment climate, address bottlenecks to improve service delivery, and diversify the economy.<sup>3</sup> The Bank’s Policy for DPF (DPF Policy) holds “Consultations and Participation” as part of its core principles (see box 1).

### Box 1. Guiding Principle on Consultations and Participation for Development Policy Financing

The World Bank’s DPF Policy, which is formally known as OP/BP8.60, emphasizes country ownership and alignment, stakeholder consultations, donor coordination, and results. It requires a systematic treatment of fiduciary risks and of the potential environmental and distributional consequences of supported policies. The policy states, “In carrying out dialogue with a Member Country, the Bank advises it to consult with and engage the participation of key stakeholders in the country in the process of formulating its development strategies.” It furthermore states, “The Bank’s Program Document describes the Member Country’s arrangements for consultations and participation relevant to the operation, and the outcomes of the participatory process adopted in formulating the Member Country’s development strategy.” The responsibility to initiate a participatory process and the design of its scope rests with the government. The Bank can facilitate, support, and advise on the engagement of this participatory process.

Sources: World Bank (2017); World Bank Group (2014b).

Complementing the mandatory nature of consultations and participation of the DPF Policy, the Strategic Framework identified the following entry points for CE in DPFs:

- Description of country engagements for consultations and participation for the operation and outcomes (mandatory as specified in the DPF Policy);
- Government engagement with citizens in the design of reform programs;
- Prior actions and triggers related to CE and participatory approaches by government; and
- CE in evaluation of reform programs.

While multiple CE entry points exist, the prior actions—policy and institutional actions critical to achieving the objectives of a program supported by an operation<sup>4</sup>—seem to remain as one of the most concrete and the only disbursement-linked entry point for CE mainstreaming and a tool for monitoring of CE in DPFs. For example,

<sup>3</sup> For more information, visit [https://www.worldbank.org/en/projects-operations/products-and-services#DPF OPCS](https://www.worldbank.org/en/projects-operations/products-and-services#DPF%20PCS).

<sup>4</sup> For more information, visit [https://www.worldbank.org/en/projects-operations/products-and-services#DPF OPCS](https://www.worldbank.org/en/projects-operations/products-and-services#DPF%20PCS).

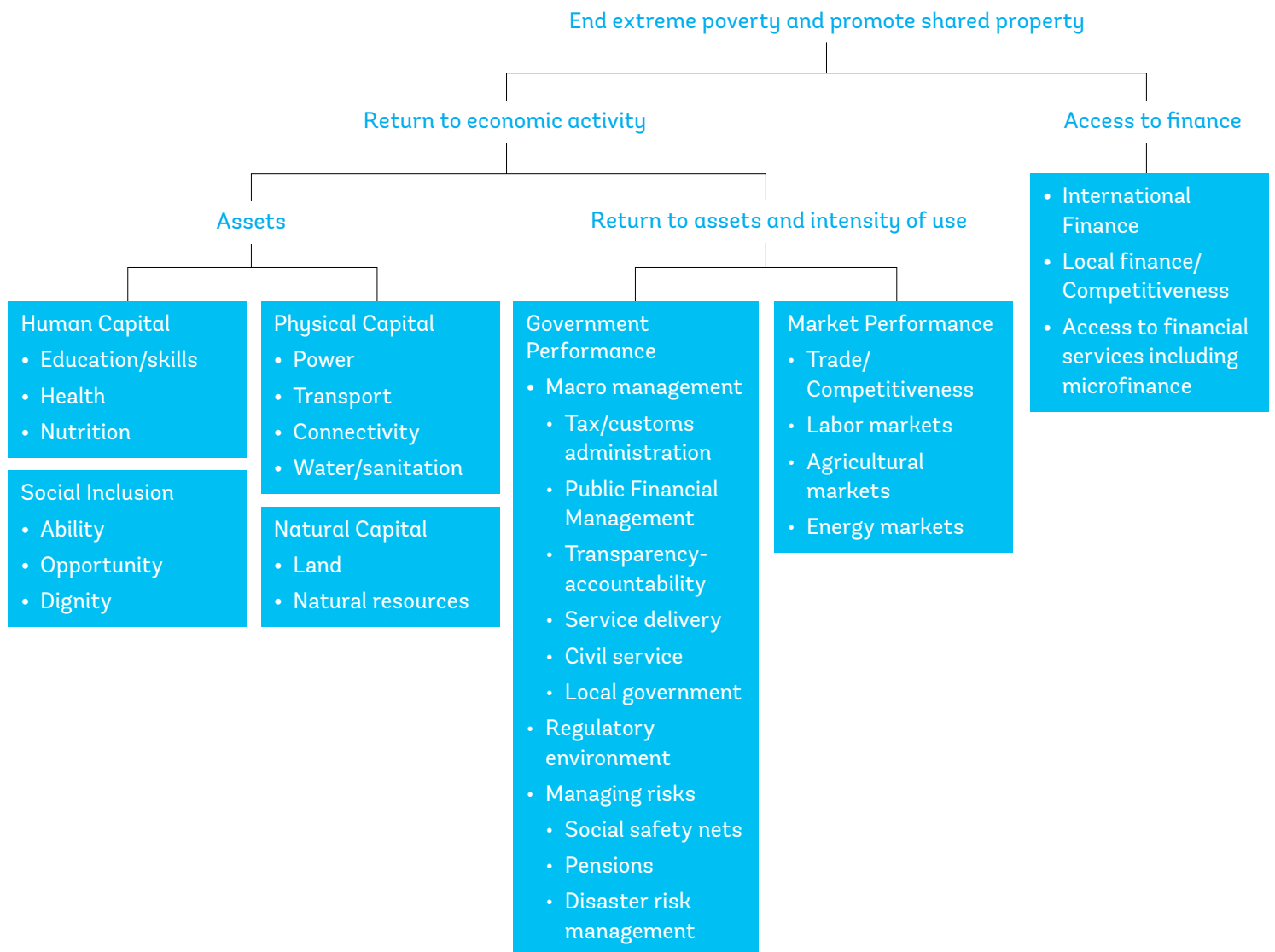
Development Policy Financing Retrospective: Results and Sustainability reviewed all DPFs approved by the Board between April 2012 and December 2014, and the assessment of prior actions provided informative trends on broad CE elements (World Bank 2015). For this review, which corresponds to 165 operations, all prior actions within the review target time period were mapped in accordance with transmission channels through which prior actions impact poverty reduction and shared prosperity in the medium to long term (see figure 2).

The report found that 12 percent of prior actions

relates to governance and accountability,<sup>5</sup> following the two most common prior actions on improving PFM and procurement (25 percent) and service delivery (15 percent). While this does not automatically mean that the prior actions on governance and accountability are linked to the CE elements or the demand-side governance, it does hint about possible entry points for CE elements as prior actions.

The IEG’s evaluation of the Bank Group’s efforts to mainstream CE reviewed the extent to which and how the World Bank has leveraged DPF as an entry

**Figure 2. Transmission Mechanisms**



Source: Reproduced from World Bank (2015, 65).

<sup>5</sup> The classification of “Governance and Accountability” transmission channel indicates that it includes: “prior actions related to EITI (Extractive Industries Transparency Initiative); asset declaration, budget publication or prior actions in any way intended to reduce corruption and/or promote transparency/accountability; some prior actions, involve both PFM and Governance and Accountability because they aim at budget formulation and transparency; and prior actions aimed at anti-money laundering”(World Bank 2015, 66).

point for fostering an environment for CE in its client countries (World Bank 2018). It reviewed the reporting on consultations and participation as well as the prior actions in relation to CE. The report concluded that DPFs are not systematically used to support the broader CE agenda. Its key findings include the following:

- Most DPF samples from FY11 to FY16 (57 out of 60) included some reporting on consultations with stakeholders during the preparation phase though they rarely focus on the reforms at stake. They tend to focus on broader topics such as a country's national development plan and poverty reduction strategy.
- Only 10 percent of all prior actions in DPF between 1990 and 2017 have broadly supported citizens' capacity to act by improving access to law and justice; introducing conflict prevention mechanisms; or enhancing state capacity to respond to citizens' demand through decentralization or judicial or civil service reforms.
- A significant majority of 340 prior actions from FY11 to FY16 (79.4 percent) support reforms that enable state action, either by seeking to make the state more accountable or by reinforcing the state capacity to respond to citizens' demands. Notably, none of the DPF operations included a combination of prior actions promoting changes both through enabling citizens and state actions at the same time.
- Only 20 DPF operations from FY11 to FY16 included a prior action that directly sought to promote participation.

### METHODOLOGY FOR CITIZEN ENGAGEMENT IN DPF STOCK-TAKE

Based on the methodologies of past stock-take activities and in recognition of the importance of prior actions as a disbursement-linked entry point for CE mainstreaming, this stock-take activity targets DPF operations approved by the Board from FY14 to FY18 to identify the broad trends on CE elements in prior actions. It entails the

review of 2,140 prior actions from the Development Policy Action database, which is updated annually by Operations Policy and Country Services.<sup>6</sup>

The scope of this stock-take is limited by focusing only on the usage of prior actions. Its aim, however, is to (i) inform the current state of the prior action usage for CE mainstreaming since the launch of the Strategic Framework, and (ii) guide the Bank to explore how CE can be further mainstreamed in accordance with IEG's recommendation to achieve "thick" CE by using existing channels and instruments more systematically.

The prior actions were first filtered by relevant CE themes and codes. Under the theme "Transparency, Accountability, and Good Governance" there are 432 codes, and under the theme "Participation and Civic Engagement" there are 513 codes (World Bank 2016).<sup>7</sup> This allowed the identification of 138 prior actions. A closer review of them signaled a need for including prior actions under other themes to identify those related to CE elements. A keyword search of all 2,140 prior actions between FY14 and FY18 using a CE theme taxonomy was then conducted. This effort identified 188 prior actions that include one or more keywords relating to CE elements (box 2 on page 5).

Each of the 188 prior actions identified with the keyword search was reviewed for further analysis. First, 128 prior actions that are not related to CE were eliminated. Many of these prior actions that include a CE keyword but deemed not relevant tend to support the enabling environment (e.g., laws, decrees, regulations, and frameworks) or specific actions to build the government's internal system, process, and procedure or intergovernmental coordination with the aim of advancing transparency or supply-side accountability. These were removed because they do not achieve transparency beyond government entities nor accountability by engaging with citizens and nonstate actors. Then, the remaining 60 prior actions that have a direct link to CE elements were mapped to indicate which dimension of CE they support and how (i.e., by strengthening or establishing enabling environment or carrying on specific actions).

<sup>6</sup> A link to the database is found under "Development Policy Operations: Prior Actions" at <https://projects.worldbank.org/en/projects-operations/products-and-services#DPF>.

<sup>7</sup> These theme keys were identified based on Theme Taxonomy and Definitions (World Bank 2016).

## Box. 2. Citizen Engagement Taxonomy Terminology

These 64 terms include keywords relating to the four dimensions of citizen engagement (CE) (i.e., inform, consult, collaborate, and empower) and the enabling environment for CE.

Access to information	Independent budget analysis
Accountability	Independent monitoring
Beneficiary association	Information campaigns
Beneficiary committee	Inputs tracking
Beneficiary feedback	Integrity pacts
Beneficiary groups	Openness
Budget literacy	Participation
Citizen budget	Participatory audit
Citizen charter	Participatory budgeting
Citizen feedback	Participatory contract
Citizen juries	Participatory monitoring
Citizen jury	Participatory physical audit
Citizen report card	Participatory planning
Citizen satisfaction	Participatory policy decision-making
Citizens' budget	Procurement monitoring
Citizens' charter	Public display of information
Citizens' jury	Public expenditure tracking
Community collaboration	Public hearing
Community contract	Public reporting
Community driven	Public reporting of expenditures
Community management	Publication
Community mobilization	Right to information
Community oversight	Satisfaction survey
Community participatory monitoring	Social audit
Community planning	Third party
Community scorecard	Third party monitoring
Complaint handling	Training
Consultation	Transparency
Feedback	User management association
Focus group	User satisfaction
Freedom of association	
Grievance handling	
Grievance	
Grievance redress	

The review of 188 prior actions was solely based on the description given as prior actions. The review did not revisit the project documents to understand the context or the detailed description of prior actions.

## PRIOR ACTION STOCK-TAKE SUMMARY

Prior actions that are directly linked to CE elements are limited (see table 1). In the DPF portfolio between FY14 and FY18, a total of 2,140 prior actions were found. Of which the assessment indicates only 60—or 2.8 percent—were directly linked to CE elements. Regionally, the Middle East and North Africa Region had the highest proportion of prior actions with CE elements. The assessment found that 4.9 percent of its prior actions had CE elements, followed by 4 percent in the East Asia and Pacific Region. The Africa Region had the highest number of prior actions (724) and CE-linked prior actions (20), although the proportion of CE-linked prior actions is lower than that of the Middle East and North Africa Region or the East Asia and Pacific Region at 2.8 percent. In the Latin America and the Caribbean Region, South Asia Region, and Europe and Central Asia Region, the proportion of CE-linked prior actions are much lower at 2.4 percent, 1.7 percent, and 1.6 percent, respectively.

**Table 1. Regional Breakdown of Prior Actions and Prior Actions with CE Elements (FY14–18)**

Region	Prior Actions (number)	Prior Actions with CE Elements (number)	CE Prior Actions in All Prior Actions (percent)
AFR	724	20	2.8
EAP	300	12	4.0
ECA	384	6	1.6
LCR	336	8	2.4
MNA	223	11	4.9
SAR	173	3	1.7
<b>Total</b>	<b>2,140</b>	<b>60</b>	<b>2.9</b>

*Source:* Based on keyword search of the Development Policy Actions database, Operations Policy and Country Services.

*Note:* AFR = Africa; EAP = East Asia and Pacific; ECA = Europe and Central Asia; LAC = Latin America and the Caribbean; MNA = Middle East and North Africa; SAR = South Asia.

The usage of prior actions linked to CE elements steadily declined from FY14 to FY18 (see table 2). In FY14, 4.9 percent of prior actions was related to CE elements, while in FY18, only 1.9 percent was linked to CE elements. The overall number of prior actions also dropped during this time.

**Table 2. Prior Actions and CE Prior Actions Over Time**

Fiscal Year	Prior Actions (number)	CE Prior Actions (number)	CE Prior Actions in All Prior Actions (percent)
FY14	506	24	4.8
FY15	461	13	2.8
FY16	380	9	2.4
FY17	434	7	1.6
FY18	359	7	1.9
<b>Total</b>	<b>2,140</b>	<b>60</b>	<b>2.8</b>

Source: Based on keyword search of the Development Policy Actions database, Operations Policy and Country Services.

The country analysis indicates that Morocco by far rises to the top with 7 CE element prior actions in 3 DPF operations, followed by Brazil's 4 CE element prior actions in 2 operations. Other countries having multiple prior actions in their portfolio are: Mozambique and Solomon Islands (4); Jordan, Sierra Leone, and Vietnam (3); and Colombia, Kyrgyz Republic, Madagascar, Pakistan, São Tomé and Príncipe, Seychelles, and Tanzania (2). Other notable trends of prior actions linked to CE elements include the following:

- DPF operations rarely have multiple CE element prior actions. Only 4 DPL operations from FY14 to FY18 had 3 CE element prior actions<sup>8</sup> and 7 DPF operations had 2.<sup>9</sup>
- An analysis of the trend within the International Development Association (IDA) and the International Bank for Reconstruction and Development (IBRD) found that 33 prior actions are mapped in IDA-financed

operations while 27 are supported by IBRD.

- There is no particular trend on the theme code assigned to CE-linked prior actions. They are identified with 17 different theme codes across the sector.

A prior action can support multiple dimensions of CE, and CE-linked prior actions predominantly support advancing transparency agenda (see table 3). Twenty-two prior actions support establishment of access to information laws and other types of legislations, decrees, and codes that aim to advance public disclosure of extractives industry information under the Extractive Industries Transparency Initiative (EITI), PFM documents, asset information for state-owned enterprises, and adaptation of e-procurement. Twenty-three prior actions support the implementation of these legal instruments, for example, by publishing PFM information on an online platform.

**Table 3. Distribution of Prior Actions Linked to CE Elements in CE Dimension**

CE Element Types	Inform (number)	Consult (number)	Collaborate (number)	Empower (number)
Enabling environment	22	7	0	0
Specific action	23	16	0	0

Source: Based on keyword search of the Development Policy Actions database, Operations Policy and Country Services.

Some prior actions support engagement with citizens (see box 3 on page 7). Seven prior actions support establishing laws and regulations to establish grievance redress mechanisms (GRMs), support independent or third party monitoring, conduct citizen report cards to improve service provision, or enable civil society organizations and the general public to participate in policy decision-making in specific sectors. Sixteen prior actions support the implementation of the EITI and its multi-stakeholder engagement approach, GRMs and third

<sup>8</sup> P147695 Enhancing Public Management for Service Delivery in Rio de Janeiro DPO (Brazil 2014); P148642 Solid Waste Sector DPL4 (Morocco 2015); P130903 First Transparency and Accountability DPL (2014); and P143242 DPO-2 (the Solomon Islands 2014).

<sup>9</sup> P162279 Inclusive and Resilient Growth DPO (Madagascar 2018); P146567 Sustainability and Competitiveness DPL 3 (Seychelles 2015); P146095 Economic Management Competitiveness Credit (Vietnam 2014); P125483 Second Programmatic DPL (Jordan 2014); P154041 Transparency and Accountability DPL (Morocco 2016); P125605 Enhancing Fiscal Capacity to Promote Shared Prosperity DPL (Colombia 2014); and P157207 Pakistan Competitiveness and Growth DPC (Pakistan 2016).

party monitoring, and other types of citizen feedback mechanisms in service delivery sectors. There is no prior action that supports activities related to collaboration or empowerment of citizens.

### Box 3. Examples of Citizen Engagement Prior Actions

Some prior actions under the “consult” category focus on engaging citizens in budget and policy decision-making. For example:

- A second development policy operation (DPO) in the Solomon Islands supported the government in publishing a summary of consultations with civil society organizations on its 2012 budget and required it to implement similar consultations for the 2013 national budget.
- Prior action 7 of China’s Hunan Fiscal Sustainability DPO requires the Hunan Provincial Government to publish the annual citizens’ budget and budget performance reports on an online platform, which also allows the provincial government to collect citizen feedback.
- Morocco’s First Transparency and Accountability DPO supports the adoption of a decision establishing a structured national dialogue for the implementation of the constitutional provisions on citizen participation.

Existing international initiatives, such as the Open Government Partnership (OGP) and the Extractive Industries Transparency Initiative (EITI), are utilized as entry points for CE-linked prior actions. For example:

- The Tanzania Open Government and Value for Money DPO includes a prior action that supports an approval of Access to Information Bill, which is part of the OGP Action Plan established through a consultative process.
- Multiple Development Policy Financing operations in Mozambique, the Solomon Islands, and Tanzania support the governments’ applications for EITI candidacy or compliance with the EITI standards, which require the completion of multi-stakeholder engagement.

*Source:* Based on keyword search of the Development Policy Actions database, Operations Policy and Country Services.

## CONCLUSION

This Governance Note takes stock of existing CE practice in DPF. Its scope is limited by focusing only on the usage of prior actions. Its aim, however, is to apprise the state of prior action usage for CE mainstreaming since the launch of the Strategic Framework and to guide the World Bank toward exploring how CE can be further mainstreamed. The stock-take exercise indicated that the usage of prior actions for CE elements, which is the only CE entry point linked to disbursement, presents an opportunity for the Bank to further exploit this entry point systematically to advance CE mainstreaming in DPFs, as recommended by the IEG evaluation.

The stock-take indicated two key takeaways. First, experience exists in mainstreaming CE in DPFs through prior actions by supporting the CE enabling environment and specific CE dimensions. This experience can be expanded more systematically. Second, the range and scope of CE supported by prior actions seem to cluster at the lower levels of CE dimensions, namely “inform” and “consult.”

While transparency is the foundation for effective CE, experience suggests that it alone will not automatically lead to participation and the achievement of greater accountability and results. Based on its experience in supporting the enabling environment and specific CE activities to advance a transparency agenda, the Bank can potentially explore how to further support higher levels of CE dimensions through prior actions in DPFs. This stock-take was based on a desk review. A study to more deeply look at the effective application of CE prior actions by interviewing practitioners and task teams may be beneficial. Topics could include when to use CE prior actions, why, how to engage with clients to integrate CE prior actions, and the outcomes of CE prior action applications.

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