Demand for Good Governance in the World Bank:

Conceptual Evolution, Frameworks and Activities

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I.   Introduction: Conceptual Evolution of the Demand for Good Governance (DFGG) agenda in the World Bank[1]

The concept of accountability has gained increasing importance in World Bank's discourse in the past two decades. The famous "corruption speech" of former President Jim Wolfensohn has been a critical turning point in including government accountability in policy discussions. The analytical studies and frameworks that have been developed since then have contributed greatly to advancing the agenda. The 2001 World Development Report and the World Bank's empowerment framework, for example, have recognized accountability as an integral component of 'empowerment' and hence poverty reduction. Similarly, the 2004 World Development: "Making Services Work for the Poor, placed accountability relationships between policy makers, service providers, and clients at the core of development effectiveness. Moreover, the Social Development Strategy released in 2005 has placed accountability of institutions as one of the three key conceptual pillars for empowering poor people[2]. These important benchmarks paved the way for translating concept of accountability into specific Bank policies and practices.[3]

Traditionally, efforts to address accountability issues have focused on improving the "supply-side" of governance such as public financial management, civil service reform, political checks and balances, administrative rules and procedures, formal auditing systems, and formal law enforcement agencies like courts and the police. These "top-down" accountability mechanisms have met with only limited success in many countries[4]. As a result, newer measures such as the setting up of independent pro-accountability agencies like vigilance commissions and ombudsman have been tried, and in other cases, public institutions have been privatized or services contracted to the private sector in an attempt to bring market-based accountability into the public sector.[5]

Given the shortcomings of these supply-side measures alone to hold public officials accountable for their actions, there has been an increasing emphasis on "social accountability" as a complementary approach to supply-side measures. Social accountability refers to *strengthening the voice and capacity of citizens (especially poor citizens) to directly demand greater accountability and responsiveness from public officials and service providers.[6]* Some

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[1] This note was prepared by Asli Gurkan (SDV) with valuable inputs from Sanjay Agarwal, Helene Grandvoinnet, Serdar Yilmaz, and Kishori Kedlaya. It was prepared as a background paper for Social Development Strategy Mid-cycle Implementation Progress report (MCIPR).

[2] World Bank (2005). "Empowering People by Transforming Institutions: Social Development in World Bank Operations.

[3] Malena, Carmen; Forster,Reiner; Singh, Janmejay. (2004) "Social Accountability: An Introduction to the Concept and Emerging Practice. Social Development Paper Series, Paper No. 76

[4] This issue is discussed in Ackerman, John (2004). Social Accountability for the Public Sector: A Conceptual Discussion. Draft paper prepared for the World Bank.

[5] Ibid

[6] ibid

commonly cited social accountability mechanisms include citizen participation in public policy making, participatory budgeting, public expenditure tracking, citizen monitoring of public service delivery, citizen advisory boards, lobbying and advocacy campaigns. Mechanisms of social accountability can be initiated and supported by the state, citizens or both, but very often they are *demand-driven* and operate from the bottom-up. According to WDR 2004, for example, "social accountability is referred to as the demand-side channel for strengthening accountability relationships between communities, local governments, service providers and the state'.[7]

Box 1. Long and Short Routes of Accountability in Public Service Provision

The *World Development Report 2004* developed an accountability triangle across policymakers, providers, and citizens, and provides a useful starting point. In this context, accountability of service providers such as schools is achieved either by the short route, involving direct feedback from citizens to public providers, or the long route, which requires altruistic politicians and policymakers to act as intermediaries for their citizens.
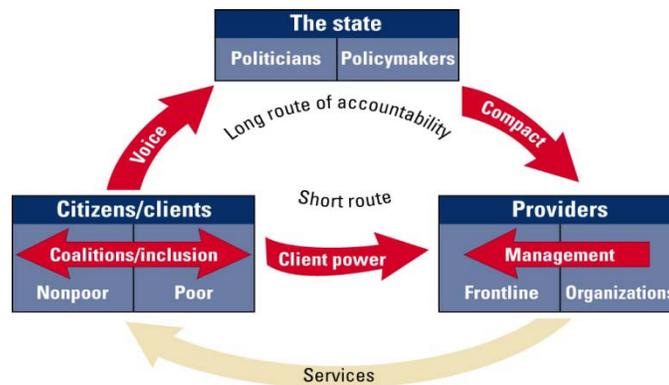
Source: DFGG website

A number of specific initiatives/research work has taken place that has strengthened conceptual foundations of social accountability at the World Bank. A notable example is the **Social Accountability Sourcebook**, initiated between 2005-2007 by SDV as an effort to capture the diverse experiences from across the world and make them available in one single place. The sourcebook highlights that:

> "Accountability is a consequence of the implicit social compact between citizens and their delegated representatives and agents in a democracy. A fundamental principle of democracy is that citizens have the right to demand accountability and public actors have an obligation to be accountable. Elected officials and civil servants are accountable for their conduct and performance. In other words, they can and should be held accountable to obey the law, not abuse their powers, and serve the public interest in an efficient, effective and fair manner."[8]

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[7] Agarwal, Sanjay; Heltbery, Rasmus; and Diachok, Myrtle. World Bank (2009). Scaling-Up Social Accountability in World Bank Operations, p. 2

[8] World Bank (2007). Social Accountability Sourcebook.

> **Box 2 : Social Accountability Sourcebook: Content and Lessons Learned**
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> The Sourcebook was originally developed as an interactive resource for use on-line or via CD-ROM. The chapters were originally written as content of web pages and later converted into a comprehensive text. The entire Sourcebook is organized in several main chapters:
> - A Conceptual Chapter ("What is Social Accountability?") providing an analytical framework of social accountability, and an overview of the main concepts and definitions.
> - Tools and Methods, that are most frequently used as part of social accountability approaches such as participatory budgeting, citizens report cards and social audits;
> - Social Accountability in the Regions provides access to case examples of social accountability in different regions.
> - Sectoral and Thematic Applications: Social accountability in Public Expenditure Management, Decentralization, Education and Health;
> - Social Accountability in Bank Operations provides guidance, case examples and lessons learned from the implementation of social accountability in Bank operations, including investment and development policy loans. It also provides guidance on how to conduct analytical work on social accountability and access to examples of analytical studies on the topic.
> - Knowledge and Learning Resources: access to knowledge and learning materials on social accountability, including case studies, publications, power point presentations, manuals etc.
>
> *Lessons Learned:* While the development of sourcebook was a major investment in terms of time and resources, the perception is that it has not been as broadly advertised and utilized as intended. One account of the story is that sourcebook failed to receive enough support and ownership from senior management. By the time the sourcebook was completed, the management had agreed that there were already abundance of sourcebooks and toolkits available. As a result of the disagreements about the relevance of the sourcebook for operations, the content has not been updated since 2007. Yet, it continues to be a useful resource for DFGG practitioners inside and outside the Bank. The SDV anchor currently has efforts to revitalize the sourcebook in line with its mandate to integrate DFGG in Bank operations by reviewing/updating the content and disseminating it in learning platforms.

Source: World Bank (2007). Social Accountability Sourcebook and interviews by author.

The conceptual foundation of social accountability was also shaped by the analytical work undertaken on ***decentralization and local governance*** initially led by the South Asia region. (SAR).[9] The work on local governance documented the process of decentralization as an avenue to give voice to citizens at the local level and placed a strong emphasis on building local institutions, including non-state institutions. The recommendations for both research and operational teams emerging from South Asia were built on the success of community organizations in the region in demanding a space for elected local governments and in contributing to basic service provision at the local level. The work highlights that the mechanisms of citizen oversight of local governments can influence the overall system of governance of a nation and, in turn, determines the extent to which development is inclusive and accesses to services are universal. According to a SAR Thematic Brief summarizing the previous work in this domain:

> "Strengthening the institutions of local governments involves two important and inter-linked
> processes. First, the decentralization or transfer of certain state functions, finance, and
> functionaries from central and state level governments to local governments and second, the
> establishment of mechanisms by which citizens can hold the lowest tier of government

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[9] World Bank. SAR Thematic Brief: Decentralization and Local Governance.

accountable. Jointly these two processes form the core of the policy agenda on local governance."[10]

SDV has built on the decentralization work over FY08-09 period and produced two Economic and Sector Work (ESW) focusing on local government discretion and accountability, with a strong emphasis on social/downward accountability. The former has developed a comprehensive framework on how accountability structures fits into fiscal, political and administrative dimensions of decentralization.[11] The latter has applied this framework to ten country and two sectoral case-studies to assess linkages between theory and practice in local governance, including social accountability.

Box 3: Definitions of Accountability

Public accountability refers to institutionalized practice of account giving by elected governments, civil servants and public sector institutions to horizontal or higher levels of public servants and public sector institutions. Public accountability as a supply-side approach is critical in establishing controls and efficiency in local government operations. These mechanisms include ombudsman, anti-corruption agencies and legislative monitoring bodies.

Social Accountability refers to an approach toward building accountability that relies on civic engagement – in which ordinary citizens and/or civil society organization demand accountability. Other terms used to refer to the same phenomenon include "citizen or civic oversight/monitoring," "citizen demands for accountability," "accountability demands." The role of social accountability is not to replace but to complement and enhance public accountability mechanisms. Social accountability could be further divided into two categories.
Formal social accountability: Social accountability mechanisms are formal when they are written in laws and codes. For example, a law may require citizens to form a citizens' board to review the budget or to oversee a project.
Informal social accountability: Social accountability mechanisms are informal when they are not written in law but are initiated and maintained by non-state actors. These mechanisms, by definition do not have sanction powers over the elected officials. Examples include petitions and advocacy campaigns.

Source: World Bank (2009) Local Government Discretion and Accountability: Application of a Local Governance Framework. Report No. 49059-GLB

Governance and Anti-Corruption (GAC) strategy[12] framed social accountability interventions under the term *Multi-stakeholder engagement.* The Guidance Note on Multi-stakeholder engagement, finalized in 2009 in support of the Implementation Plan for Strengthening World Bank Group Engagement on Governance and Anti-corruption, describes in detail the scope of non-executive actors, including community members, the private sector, parliaments, the media, and NGOs. The note also highlights that activities in engaging with non-state actors "would target participatory prioritization of development policies and public spending; strengthening transparency and oversight over the use of budgetary resources; user participation and oversight in service provision; strengthening participatory local governance;

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[10] ibid

[11] World Bank (2008) "Local Government Discretion and Accountability: A Local Governance Framework".
Economic and Sector Work Report No. 40153. Washington, D.C.

[12] See page 9 for more details on GAC strategy.

strengthening other formal oversight and check and balance institutions; and strengthening the enabling environment for civil society and media to operate effectively.[13]"

There are clear continuities and parallels between these strands of work. While different terminologies are used across different Bank units, (eg. social accountability, demand for good governance and demand-side governance), they refer to similar interventions, such as access to information, consultation, participation, complaints handling methods, third party monitoring.[14] However, there are remaining differences regarding the scope, purpose, and the involved actors in the implementation of DFGG interventions. Social Accountability sourcebook states: "Some see accountability as an essentially ex-post phenomenon while others argue that principles of accountability should be applied before, during and after the exercise of public authority (Ackerman, 2004). Some observers emphasize a distinction between government responsiveness vs. government accountability while others understand them as going hand in hand."[15] There are also some evident differences in opinion concerning the way in which social accountability can be operationalized. There are ongoing discussions on the role of state and non-state actors in social accountability interventions, as well as the role of World Bank as an effective champion of social accountability vis-à-vis other international and non-governmental organizations.

II. Relevance of DFGG to World Bank Operations:

Demand-side approaches are integral to the current trends shaping the future of Bank operations and feature prominently in Bank operational strategies and policies:

- Consultations and participation are a requirement of Development Policy Lending (DPL OP 8.60);
- There is increasing emphasis on transparency and accountability within Bank projects in Investment Lending Reform, and the Disclosure Policy;
- The Governance and Anti-Corruption (GAC) Strategy approved in March, 2007, in which demand side-governance approaches feature prominently, made Governance and Anti-Corruption (GAC) an institutional priority for the World Bank;
- The recent rise in the number of Inspection Panel cases has brought World Bank accountability to the beneficiaries to the forefront.

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[13] World Bank (2009). Guidance Note on Multistakeholder Engagement, p. 1

[14] For the purposes of this background note, we will use the term DFGG to refer to the citizen-centered approaches. Yet, as DFGG practitioners across the Bank, who strive for mainstreaming DFGG into operations, the challenge is to be clearer about conceptual foundations as much as possible in order to ensure better branding, and to avoid the risk of confusing operational task teams, who may not be familiar with these approaches.

[15] Social Accountability sourcebook.

Why is demand-side relevant to World Bank operations?

Demand-side Governance Mechanisms

Development Outcomes
• Improved Quality of Service Delivery
• Improved Democratic /Participatory Governance through Demand Side Approaches

Implications for Bank projects
-Program Redesign and Resource Reallocation to Improve Program Effectiveness and Public Expenditure Efficiency
-Mitigate Risks during project Implementation
- Improve Development Effectiveness of Bank projects

Institutional Outcomes
• Institutionalization of continuous user feedback mechanisms
• Creation of a cadre of community monitors
• Formation of community-public-private partnerships
• Stronger linkages between local governments and CSOs

- *Investment Lending Reform:* Bank operations are undergoing a major overhaul through the recent approved Investment Lending (IL) Reform. Key features of IL Reform include, a) defining a risk-based model (ORAF framework) that differentiates IL projects and the processing requirements to be applied to them in light of the risks they present; b) placing greater emphasis on supervision and implementation support while moving away from an "approval culture"; c) simplifying project restructuring; and d) creating an enabling environment for IL Reform. Critiques of the current business model and supporters of the IL reform largely favor demand side approaches. IL reform brings increasing attention to project level transparency and accountability, grievance and complaints mechanisms, and procurement monitoring, which are key DFGG approaches.

- *Governance and Anti-corruption (GAC) strategy:* The Board of Directors of the World Bank approved a Governance and Anti-Corruption (GAC) Strategy in March, 2007 which has been followed up with an Implementation Plan. Today governance and anti-corruption GAC is an institutional priority for the World Bank. An important element of the GAC strategy is addressing GAC constraints in country strategies (C-GAC)[16] and developing and strengthening in-country demand for good governance by working closely with civil society organizations and the media. Guiding Principle 5 of the GAC Strategy seeks to promote multi-stakeholder engagement. According to the Two-Year GAC Progress Report, DFGG particularly stand out as a key mechanism to identify and mitigate GAC risks in Bank operations. In addition, a critical

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[16] 27 country programs were initially selected under C-GAC. Each program received 100,000 of incremental resources. A recent stocktaking revealed that only seven of the pilots were successful integrating GAC systematically into country programs. For more information, please see World Bank. (2009) Strengthening WBG Engagement on Governance and Anticorruption: Second Year Progress Report, p. iii.

element of the GAC strategy is to give heightened attention to stakeholders outside the executive branch – including NGOs and citizens.

Box 4: Guiding Principle #5, GAC Strategy

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

- **ORAF Framework**: The Operational Risk Assessment Framework (ORAF) is a tool to help managers and task teams look systematically and holistically at risks to achieving project development objectives from identification through implementation. In particular, at the project identification stage, it is being used to weigh trade-offs between expected project results and related risks. The ORAF simultaneously serves to differentiate projects on the basis of risk that in turn will help determine the processing path and documentation requirements during preparation and as part of the determination of implementation support timing and intensity. Demand-side interventions are key mechanisms for identifying and differentiating risks, and determining the necessary timing and intensity for project timelines, as they focus on multi-stakeholder assessments, as well as bottom-up/citizen-based needs and capacities.

- **WB Disclosure Policy:** The Bank has finalized a revised disclosure policy which will be made operational from July 1, 2010. The proposed policy constitutes a radical shift in the Bank's disclosure paradigm - from a policy that spells out what the Bank may disclose, to one that presumes the Bank will disclose any information in its possession that is not on a list of exceptions. Increased access to information is at the center of the revised disclosure policy, and a key entry point for operationalizing the DFGG agenda. The Africa region, for example, is designing a pilot program to make part of the ISR public, so that various stakeholders, including CSOs, can comment and report on Bank implementation process thereby establishing a feedback loop mechanism.

- **Inspection Panel Cases:** The recent increase in Inspection Panel cases has enhanced attention to transparency and accountability in Bank operations. The mandate of the Inspection Panel, created in 1993 as the first independent accountability mechanism of any international finance institution, is to help bring Bank lending operations into compliance with Bank's operational procedures and serve as a grievance redress mechanism for those who have been adversely affected by Bank's policies. The Albania cases on the Integrated Coastal Zone Management and Clean-Up Project, which revealed that insufficient attention had been paid to assess and mitigate social risks, has made TTLs take social assessments, demand-side governance and political-economy issues seriously.

- **Development Policy Lending (OP 8.60):** OP 8.60 provides a critical entry point for operationalizing DFGG approaches. The policy requires that Consultations and Participation be part of the country dialogue and that outcomes of participatory process be incorporated into the country's development strategy. OP 8.60 also necessitates that relevant analytic work conducted by the Bank, particularly on poverty and social impacts and on environmental

aspects, is made available to the public as part of the consultation process, in line with the Bank's disclosure.

III.   Operational Frameworks in Demand-side governance

A number of DFGG frameworks have been developed at the Bank to operationalize DFGG approaches. The more prominent ones are:

Demand for Good Governance (DFGG) Framework: The DFGG analytical framework, which was used for the design of the DFGG Project in Cambodia, 2008, focuses on how the promotion, mediation, response to and monitoring of demand by both non-state and state actors can enhance project effectiveness.

According to the DFGG analytical framework, there are four elements of effective Demand For Good Governance.[17]

- *Promotion of demand:* The ability of citizens, civil society, and other non-state actors to demand better governance depends on their access to information, and the degree to which they can act effectively on this information.
- *Mediation of demand:* While mobilizing demand through advocacy and information dissemination are important, these elements only become effective through mediation and institutionalized feedback.
- *Response to demand:* As demand alone would result in unmet expectations, it is critical that the agency(ies) involved are able (and have a system) to respond to the range of demand
- *Monitoring to inform demand:* Finally, the process of regular monitoring and oversight of project/program activities by non-executive actors, such as the media, business associations and civil society are required. These generate key information, for the implementing agency, civil society, and ordinary citizens which feeds back into the process – thus completing as well as continuing the DFGG cycle.

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[17] Ibid.

Figure #1: DFGG Analytical Framework
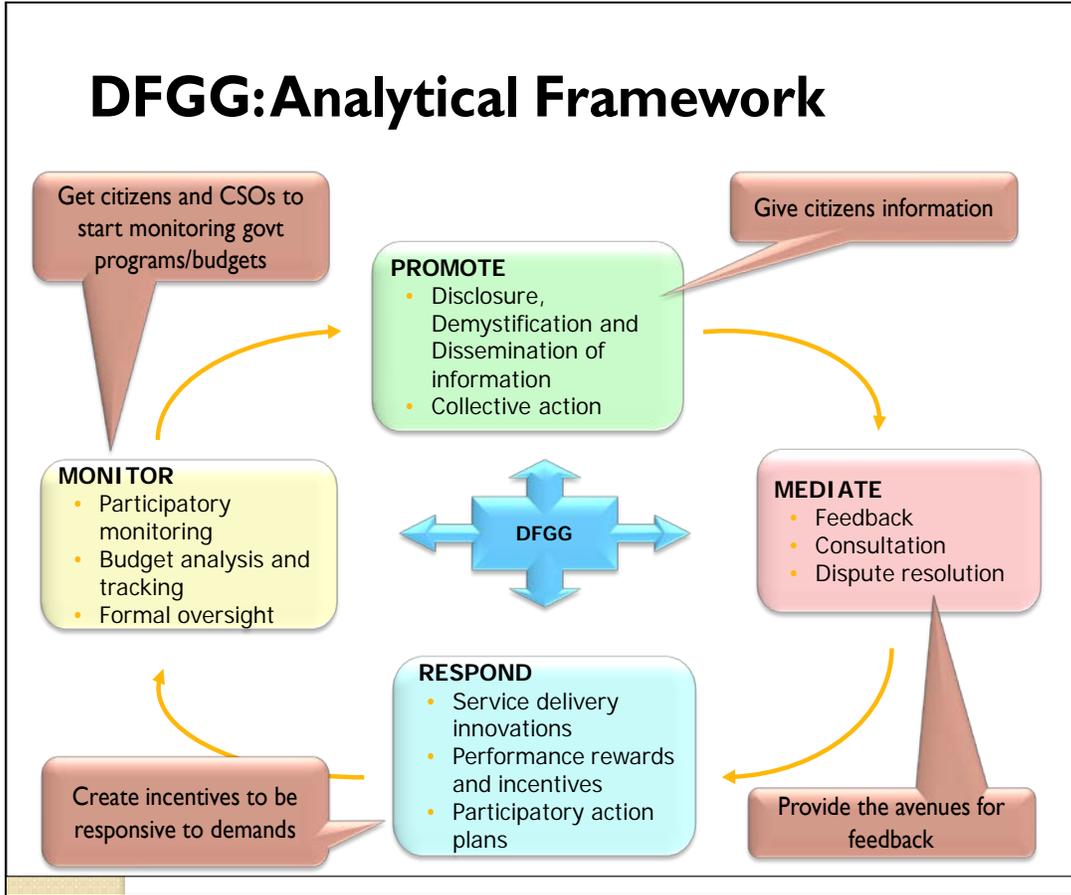
Transparency, Accountability and Participation (TAP) Framework: A recent GAC Learning and Benchmarking Survey undertaken by the Quality Assurance Group (QAG) as part of the Second Progress Report of the GAC Strategy, highlighted Demand-side Governance (DSG) measures as key risk mitigation measures. The survey used TAP (transparency, accountability and participation) as the key pillars of the framework. These elements point to the untapped potential of stakeholders to enhance public scrutiny and achieve better GAC outcomes for lending operations. The key findings of the Review are discussed in Box 5.

Figure 2: GAC Process for Lending Operations- and Relevance of DFGG

Prior Knowledge of GAC Risks	Risk Assessment	Risk Mitigation	Implementation Support
•CPIA Gov rating •Country/sector AAA •CAS: GAC risks & priorities	•Political Economy risks •Fiduciary risks •Corruption risks to operation	•Design response to GPE constraints •ACAPs & "Smart Project Design" •**DSG measures: Transparency, Participation, TPM**	•Enhanced supervision of high risk projects •**DSG Follow-up** •GAC M&E

Source: World Bank. (2009). QAG Report: Governance and Anticorruption in Lending Operations: A Benchmarking and Learning Review

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Box 5 : Key Findings of the QAG report:

The QAG report assessed the responsiveness of Bank operations to the GAC agenda in three dimensions a) Governance and Political Economy (GPE), b) GAC in Fiduciary Aspects (GFA) and Demand-side of Governance (DSG). The review was based on a representative sample of 180 operations in FY08. The QAG report revealed some key findings for DFGG. It has documented that demand side governance has received the least attention (43 %) in projects compared to the other two dimensions reviewed in the report- fiduciary (63 %) and political-economy (46 %). The report showed that the investment projects were twice as likely as DPLs (22%) to include DFGG measures, driven in part by the nature of the instruments. Only 18 % of projects reviewed have been categorized as "very responsive" in QAG report, signifying that a great majority of the projects have limited or no DFGG mechanisms in place. According to the report, there is a particular deficiency in emphasis on grievance mechanisms (28%) and third party monitoring (41 %) in operations. In terms of regions, SAR (61%) and LCR (51%) are significantly above the Bank wide average of 42%, while MNA (30%) and AFR (31%) lag behind on this dimension

According to the QAG report, DSG should operationalize the "TAP framework by ensuring that i) transparency and information disclosure are maximized, ii) robust grievance redress mechanisms are made available for both bidders and other stakeholders, iii) third party monitoring independently assess project processes and project outcomes, and iv) beneficiaries and the implementing agency are involved in extensive consultations.

Transparency: Where feasible, task teams invoke Right-to-Information (RTI) Laws. Even without RTI legislation good practice projects disclose information on sector issues, project processes and outputs. To be effective, these arrangements include a well designed communication plan and monitoring of transparency mechanisms.
Participation is effective when projects contain (a) institutional arrangements for beneficiary/CSO participation, and (b) grievance redress mechanisms: Explicit provisions for participation by beneficiaries, CSOs and other stakeholders, and capacity building where civil society is weak, increase the quality of participation in design, decision-making and implementation.

Explicit mechanisms (such as a Complaints Cell or Ombudsman) for receiving and responding effectively to complaints and grievances enhance beneficiary ownership and reduce corruption risks but they need to be empowered, resourced and monitored to be effective.
Third Party Monitoring (TPM) includes (a) TPM of project processes, and (b) independent verification of outcomes. Process monitoring and impact monitoring are best done independently of each other as their content and time frames differ. o Project processes are monitored most effectively by third party entities when the

project includes provisions to encourage them and review mechanisms that take account of TPM reports. Many of them are supported by trust funds. Projects rely on one or more of a range of independent verification instruments – including Public Service Delivery Survey; Citizens Report Card, Social Audit, Participatory Public Expenditure Tracking Survey, and Consumer Satisfaction Survey – to obtain feedback on outcomes such as access and quality of services.

Participatory Public Expenditure Management Cycle: [18] The cycle demonstrates how the introduction of civic engagement into the entire process of allocating, spending and monitoring public resources can help produce significant operational results (e.g. improved performance, the introduction of corrective measures) and process outcomes (e.g. institutional, behavioral and relational changes).

Figure #3: The Participatory Public Expenditure Management Cycle

- **Participatory policy and budget formulation** – This involves direct citizen/CSO participation in formulating public policy and budgets. Participatory policy formulation has become an increasingly common trend, particularly with the introduction of the poverty reduction strategies at the national level and community driven development initiatives at the local level. Participatory budget formation is less common and usually occurs at the local level but is also theoretically applicable at higher levels. An alternative approach to participatory budget formation is the preparation of alternative budgets by civil society actors to influencing budget formulation by expressing citizen preferences.
- **Participatory budget review/analysis** – Here, CSOs review budgets in order to assess whether allocations match the government's announced social commitments. This involves analyzing the impact and implications of budget allocations, demystifying the technical content of the budget, raising awareness about budget-related issues and undertaking public education campaigns to improve budget literacy.
- **Participatory public expenditure/input tracking** - This involves citizen groups tracking how the government actually spends funds, with the aim of identifying leakages and/or bottlenecks in the flow of financial resources or inputs. Typically, these groups gather data from actual users or beneficiaries of government services and publicly disseminate data on inputs and expenditures. This approach often involves the triangulation of information received from

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[18] Source: DFGG website: http://gacknowledge.worldbank.org/dfgg/

disbursement records of finance ministries, accounts submitted by line agencies and information obtained from independent enquiry (using, for example, tools like social audits). Information is disseminated through the use of media, publications and public meetings.

- **Participatory performance monitoring & evaluation** – This entails citizen groups or communities monitoring and evaluating the implementation and performance of public services or projects, according to indicators they themselves have selected. This is achieved through the use of participatory monitoring and evaluation tools (e.g. community scorecards) and, at a more macro-level, though the use of public opinion surveys, citizens' juries or citizens' report cards. The findings are presented at interface meetings (where users and service providers come together to discuss the evidence and seek solutions) or, as in the case of citizen report cards, are publicly disseminated and presented to government officials to demand accountability and lobby for change.

IV. Operational DFGG Approaches and Tools:[19]

Demand for Good Governance (DFGG) approaches comprise of development approaches that focus on citizens as the ultimate stakeholders for better governance. Examples of some DFGG approaches include:

- Social Accountability
- PRSPs
- Community Driven Development (CDD)
- Law and Justice Institutions
- Pro-poor Approaches to Justice Reform
- Participation and Civic Engagement

Traditionally, DFGG approaches have included a variety of citizen or civil society-led actions such as public demonstrations, protests, advocacy campaigns, investigative journalism and public interest lawsuits. In more recent years, the expanded use of participatory data collection and analysis tools combined with enhanced space and opportunity for citizen/civil society engagement with the state, have led to a new generation of social accountability practices. These include methodologies such as participatory public policy-making, participatory budgeting, public expenditure tracking, citizen report cards, community score cards, social audit, citizen charters, people's estimates, etc. They also include efforts to enhance citizen knowledge and use of conventional mechanisms of accountability (for example, through public education about legal rights and available services) and/or efforts to improve the effectiveness of "internal" accountability mechanisms, for example, through citizen involvement in public commissions and hearings, citizen advisory boards and oversight committees. These mechanisms intend to both complement and enhance conventional mechanisms of accountability.

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[19] For more information, visit DFGG website http://gacknowledge.worldbank.org/dfgg

Figure # 4: DFGG Tools and Their Impacts

Participatory Budgeting
Citizen Report Cards (CRC)
Community Score Cards (CSC)
Public Expenditure Tracking Surveys
Right to Information (RTI) Compliance
Social Audits
Project Websites
Community Radio

Increasing Transparency & Access to Information

Grievance Redress

Enhancing Accountability & Citizen Oversight
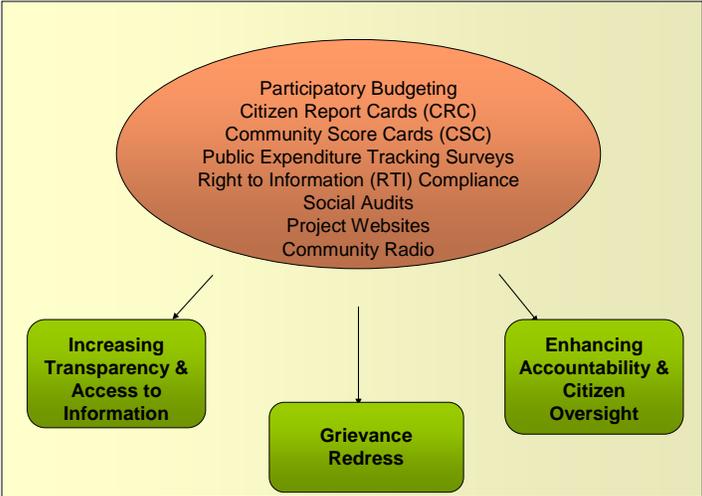
Figure #5: Demand Side Governance Tools under TAP Framework

Demand-side Governance Tools

Transparency/ Information

Disclosure

- provisions for public disclosure of project documentation
- Right to Information legislation (RTI)
- Project website

/Demystification/Dissemination

- community radios
- Awareness-building /Comm. campaigns

Accountability

Grievance Redress Mechanisms

- Formal measures- Ombudsman, local courts, Appeals Committee, Complaints Office
- M&E system for entering, tracking and monitoring grievances (web-based or SMS)
- Informal measures. Citizen grievance committees, grievance redress agency

3rd party monitoring of processes

- Integrity Pacts/Social Contracts
- local civil society oversight committees
- Participatory expenditure tracking
- tools serv. Delivery performance- C.S.s, CRC

Independent Verification of Outcomes

- Public Service Delivery Surveys,
- Consumer Satisfaction, Beneficiary Feedback Surveys
- Social Audits

Participation

Beneficiary/CSO involvement in design and implementation

- user committees / CBOs
- Capacity- building/ Training for stakeholder participation
- Participatory budgeting

Source: SDV, categories adopted from QAG report on Governance

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V.   DFGG activities in the past decade[20]:

There have been a number of operational activities on social accountability at the Bank in the past decade financed with trust fund grants. The Norwegian- Finnish Trust Fund for Environmentally and Socially Sustainable Development (TFESSD), which supports World Bank teams in analytical and capacity building work on social, environmental, and poverty issues, has disbursed funds for governance dimensions of Bank policies and programs between 2002 and 2006. This resulted in approximately $7 million of funding to 25 social accountability country pilots designed to help stakeholders influence, analyze, or evaluate the impact of policies and programs.

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[20] This section has been compiled primarily from "Agarwal, Heltberg and Diachok. For more extended version of DFGG activities, please see this document available at DFGG database and website.

These pilots have proved to be useful for experimenting with innovative social accountability tools and approaches; as well as nurturing of partnerships and networks among state and non-state actors at both national and local levels. Some of these approaches have been included in government programs and Bank projects in countries such as Uganda, India and Ethiopia. Noteworthy examples from different regions and service delivery contexts include: The innovative Citizen Report Card tool—first developed by Bangalore to improve urban services—was introduced in Ethiopia, Mozambique, Senegal, and South Africa by TFESSD supported pilots. In Kenya, a pilot set up a consumer feedback mechanism for municipal drinking water supply services in three cities using citizen advisory boards, public hearings, and citizen reports. The consumer feedback mechanism was linked with annual action plans for improving low performing services. This mechanism is now being scaled up to other cities in Kenya. In Madagascar, community scorecards and participatory budgeting first piloted with the help of TFESSD have been integrated into the Country Assistance Strategy (CAS) and since then scaled-up to national social accountability program targeting health and local governance.

Some financial support for social accountability has also been secured from the Japanese Social Development Fund (JSDF) and the Bank-Netherlands Partnership Program (BNPP). JSDF primarily supports recipient-executed activities to improve capacity of local communities and civil society organizations, including NGOs, to actively participate in the development process. The strategic objective of the BNPP, on the other hand, is to strengthen the development and institutional effectiveness of the World Bank by financing knowledge and capacity development activities at the global, regional and cross-country levels.

The World Bank has in the past, although in rare occasions, provided lending for demand-side governance. DFGG project in Cambodia[21] was the Bank's first self-standing project in this area. A more common approach is integration of DFGG component into larger projects that also have other objectives (World Bank, 2008a).

Box 6: Cambodia DFGG Project
Over a four-year period (2009-2013), the Project will finance three components: 1) Support to state institutions, four ongoing Government programs that have been selected for further expansion under the Project. These include the programs of Radio National Kampuchea; law dissemination and complaints handling activities of Ministry of National Assembly-Senate Relations and Inspection. 2) Support to non-state actors. This component will be implemented by the Asia Foundation and will involve several competitive mechanisms. 3) Showcase the effectiveness of the DFGG supported institutions to create a 'ripple effect' for other state and non-state institutions to adopt better governance practices.

The World Bank Institute has also played an important role in providing trainings and other capacity-building support on DFGG. Notably, it helped create regional networks of DFGG practitioners via the Affiliated Network for Social Accountability (ANSA) which builds capacity of civil society groups that strive for open and transparent governance. ANSA networks now exist in Africa, South Asia, and East Asia and Pacific, each supported by a Development Grant Facility from the World Bank. ANSA-Africa, for example, has 1,600 member organizations and works to improve civil society organizations' technical rigor in social accountability. There are also several other network initiatives supporting civil society in demand-side governance in collaboration with the Bank. Examples include the Partnership for Transparency Fund; the South Asia Social Accountability Network; The Cambodian Program to

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[21] Agarwal, Diachok and Heltberg, p. 9

Enhance Capacity in Social Accountability (PECSA); and the Communication for Governance and Accountability Program (CommGAP).[22]

Selected Good Practice Examples: [23]

DFGG Approaches have influenced policy and field outcomes in a variety of service delivery contexts such as infrastructure (e.g. water supply and sanitation, transport), human development (e.g. health, nutrition and education), local governments, public sector reform, etc. Some notable examples are:

- The **Bangladesh** Local Government Support Project where access to information by communities at the local government level has been facilitated
- The **Indonesia** Local Governance Reform Project (ILGRP) which has led each district to issue local regulations on access to information.
- In the **Indian state of Orissa**, the Orissa Rural Livelihoods Project is supporting the implementation of the India Right to Information Act of 2005.
- At the national level, in **Argentina**, the State Modernization II Loan includes support for increasing access to public information through strengthening public administration information management systems.
- The **Honduras** Education Quality, Governance, & Institutional Strengthening Project includes civil society monitoring of education service delivery, particularly through strengthening the community-based management program, PROHECO.
- In *Madagascar,* the use of community score cards in the health sector has led to demand for scaling up the use of social accountability mechanisms to other sectors in the country and also to the integration of a national social accountability program in the Country Assistance Strategy.
- In the Gemidiriya Project of **Sri Lanka**, the institutionalization of the Community Assessment Process has led to the community evaluating quality, effectiveness and efficiency of several local service providers (e.g. water supply, anti-poverty programs) in hundreds of villages.
- In **India** under the Andhra Pradesh, AP Rural Poverty Reduction Project, community monitoring through community score cards has led to the proactive community participation in health activities facilitating the introduction of community-managed health interventions such as – nutrition centers, fixed health and nutrition days, health risk fund, community managed ambulance services and drug depots.
- In **Peru**, findings from RECURSO have led to policy changes to improve the quality of education, health and nutrition services by strengthening accountability and access to information.

VI. Ongoing DFGG activities Across the World Bank[24]:

In light of the previous experiences and the recent developments in the Bank, various World Bank units have expanded the scope of their work to include operational DFGG work. In a number of regions, DFGG approaches are increasingly being framed as part of "improving service delivery". Currently,

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[22] Ibid. p. 10
[23] Please see DFGG website for more informatiion
[24] This is not a comprehensive list but rather selected examples from ongoing activities. For more information, please see individual presentations on DFGG work by region, available on DFGG database.

DFGG programs in the regions are heavily supported by Governance Partnership Facility Funds for operational work, analytics, capacity-building and learning initiatives.

Service Delivery Initiatives at the Country and Sector level: In a number of regions, DFGG approaches are increasingly being framed as part of 'improving service delivery' and not 'good governance and anti-corruption', in order to avoid potential backlash from client governments. For example, in the Africa region, initiatives are underway to promote accountability and service delivery in health and education sectors, building on the earlier TFESSD supported work in Madagascar, Uganda, and Malawi etc. AFR has launched pilots in Nigeria and Madagascar to engage local level stakeholders in monitoring the revenues from extractive industries at the local level. There are also efforts in AFR region for mainstreaming DFGG into the national programs, eg. in Mozambique. Similarly, the MNA region, has also adopted the service delivery angle for its DFGG activities. For instance in Egypt, it is forging cross sector collaboration with Health Ministry to implement Community Scorecards and service improvement action plans. Measures are also underway for Social Accountability for Service Improvement (SASI) in the Urban Water Sector in Yemen and the implementation of the National Initiative for Human Development (INDH) in Morocco.

Programs Supported by Governance Partnership Facility (GPF): GPF supports GAC through three main strategic areas: Window 1) Innovative, country level governance programs (CGACs); Window 2) Frontier areas of governance through single or multicountry and global initiatives; and Window 3) Global GAC learning and knowledge platforms. Below are some examples of how regions are utilizing the GPF funds to promote DFGG:

- AFR: A region specific DFGG strategy is under development and an increase in the number of staff working on the agenda is proposed. Additionally, many Africa Window 1 proposals under GPF have DFGG components (e.g. Right to Information in Nigeria, support to CSOs in Cameroon, etc.)
- LCR: Public participation in infrastructure regulation in a number of countries.
- MNA: MNA specific tools to identify DFGG entry points and provide operational support to selected projects, such as Morocco –Transport DPL and Egypt – Integrated Sanitation and Sewage Project
- EAP: DFGG mechanisms in Mongolia, Cambodia and Philippines.
- SDV: Pilot on budget transparency in Cameroon, Cote d'Ivoire and Nepal and knowledge and learning agenda jointly with LCR.

Programs supported by Japanese Social Development Fund (JSDF): An alternative funding channel for DFGG is the Japanese Social Development Fund (JSDF). JSDF focuses on programs that respond directly to the needs of the poorest and most vulnerable groups and encourage the testing of innovative methods that are new or alternative approaches at the project, country, or regional level, or methods that facilitate new partnerships or assist new target groups.

SAR: Third party monitoring; Access to information efforts and Grievance and complaints mechanisms in India, Bangladesh and Nepal. These activities ware managed by an international NGO- Partnership for Transparency.

AFR: third party monitoring of health and education programs in Burkina Faso. These activities are managed by a local institute based in university of Ouagadougou- Institute for Health and Population (ISSP). [25]

Analytical/Research Work: There are a number of analytical and research work taking place in the regions to define a strategic vision, and capture and document past experiences. Examples include:

- EAP: Civil society assessments in Mongolia and Cambodia, a stocktaking of social accountability measures in EAP Bank operations.
- LCR: A conceptual paper on DFGG in LAC.
- SAR: Multi-country AAAs particularly focusing on linkages with conflict, gender and social inclusion, etc; policy notes– e.g. on mainstreaming DFGG in Bank portfolio as well as special studies to underpin DFGG implementation e.g. media, political economy, Right to Information (RTI), and gender and social inclusion.

Capacity-building: Capacity-building is a key component of DFGG initiatives across the Bank. Examples include:

- EAP: Capacity Building Programs and Grant Facilities for Civil Society, such as Affiliated Networks for Social Accountability (ANSA – EAP), PECSA (Cambodia) and Small Grants Program.
- SAR: State and Peace Building Fund for capacity building, which will help the development of 3 Nepali institutions for capacity building for DFGG; knowledge sharing and networking. SAR region also received DFID funding ($1m) for CSO capacity building for DFGG in Public Financial Management.
- MNA/WBI: Capacity-building workshops on DFGG approaches in Morocco; a study tour to India for regional CSOs to observe first-hand the effects of DFGG methodologies.
- AFR: Learning modules for GAC in projects, particularly those linked to transparency of extractive industry revenue at the local level, as well as GAC in CAS for CAS teams.
- LAC: A help desk to assist country teams in mainstreaming DFGG into operations.

Communication/Learning/Outreach: There is an increasing need for sharing experiences and lessons learned on DFGG from inside and outside the World Bank. Some activities from 2010 include:

- SDV: workshop on DFGG in infrastructure sectors at the end of January 2010 as part of SDN week. The event showcased a number of examples of successful application of social accountability tools within the context of Water and Transport projects from Nepal, Philippines, Uganda, Honduras, India and Kazakhstan. [26]
- LAC: DFGG showcase in February 2010, focusing on identifying good practices of complaints handling including a launching of DFGG website in Spanish in sharepoint platform.
- HD: a half-day DFGG event in March 2010 as part of a broader workshop targeting 50 CSOs working in the HD sector in Africa and South Asia.

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[25] For more information on JSDF and initiatives that received funding please visit JSDF website
[26] The materials from the event can be found at http://dfggdb

Monitoring and Evaluation/ Impact Evaluations: Documenting good practices with concrete outcomes and evaluating the impact of DFGG emerge as a key strategic priority. Ongoing activities include:

- EAP: Community monitoring of Conditional Cash Transfers (CCTs) in Indonesia.
- LCR: Piloting of country based-DFGG approaches in the Dominican Republic in procurement monitoring. LCR is rolling out CCTs monitoring in the social protection sector, as well as service delivery monitoring in health and education.
- SDV: A stocktaking of existing impact evaluation of DFGG interventions within Bank projects
- Development Economics Research Group (DEC): Development Impact Evaluation (DIME) initiative, involving thematic networks and regional units under the guidance of the World Bank's Chief Economist.
- MNA: Impact Evaluation for the Community Scorecard intervention through test scores of students from randomly selected schools and evaluation of school/teacher performance.

Box 6: Past experience with Impact Evaluation:

Over the last decade, many examples have emerged that demonstrate how citizens can make their voice heard and contribute to decision-making to hold the public officials more responsive and accountable, as well as reducing overall governance risks in development activities. A notable example has been the impact evaluation of community scorecards in health sector in Uganda, which has documented decreased rates in absenteeism by service provider's decrease, and improvements in quality of services[27]. The impact evaluation work led by SDV anchor has focused on documenting the impact of under Community-driven Development Projects (CDDs). For example, the impact evaluation of Kalahi- CIDSS has shown the positive impact the CDD interventions have had on increasing community participation in local decision-making bodies. The work has demonstrated that the participation in village assemblies, the frequency with which local officials meet with residents and trust towards strangers increased as a result of the CDD interventions. At the same time, the study pointed out that households active in the community are more likely to have their preferences represented.[28.]

VII. Challenges in Mainstreaming DFGG into Operations:[29]

The activities described in the previous sections demonstrate that DFGG work is still mostly implemented as stand-alone pilot programs, largely supported by Trust Funds such as GPF, JSDF etc. DFGG approaches are yet to be effectively mainstreamed into lending operations. Main external challenges in DFGG work include weak enabling environment at the country level, weak capacity and credibility of national CSOs and donor harmonization. Main internal challenges to DFGG work include potential clash of DFGG approach with existing operational

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[27] Bjorkman, Martina and Jakob Svensson. 2008. "Power to the People: Evidence from a Randomized Field Experiment on community-based Monitoring in Uganda." World Bank Policy Research Working Paper 4268.
[28] For example, see by Julienne Labonne & Rob Chase. (2007) "Who is at the Driving Wheel: A Case Study of KALAhi-CIDSS in the Phillipines".
[29] This section has been primarily based on anecdotal evidence, presentations made by DFGG focal points during an DFGG inter-regional knowledge sharing event, held on December 7, 2009, and individual discussions with the DFGG practitioners.

trends in the World Bank, limited capacity and resources among Bank staff, the tendency to include too many DFGG interventions in project design without adequate consideration to cost and capacity implications, and lack of sufficient evidence of success from Bank projects. (For more details on challenges in DFGG implementation, please see Annex B)

To respond to these challenges above, the Social Development Department is implementing numerous activities to assist in strategic mainstreaming of DFGG approaches in Bank operations. (For a full list of ongoing activities, please refer to Annex C)

VIII. Moving forward: Recommendations and Next Steps for DFGG agenda (FY11-13)

Despite the recent increase in DFGG-related activities, the DFGG work is still at infant stages. There is a need for increased emphasis on sustainability, quality and impact of DFGG interventions. We propose that the DFGG agenda moves forward under three main pillars: 1) Integrating DFGG into operations **(Mainstreaming):** 2) Moving from retail to wholesale approach **(Scaling-Up):** 3) Gathering a solid body of evidence on impact of DFGG on development effectiveness, and more narrowly on effectiveness of Bank operations **(Results)** .

Objective 1: Integrating DFGG into Operations (Mainstreaming)

Frame DFGG as a risk mitigation mechanism and a tool for development effectiveness for Bank projects*: Many TTLs see DFGG methods as an additional burden to their existing operational responsibilities. DFGG family[30] needs to demonstrate to TTLs that DFGG approaches can help them* assess and mitigate risks in operations, *directly contributing to their effectiveness and efficiency. For example,* DFGG family can support the task teams in designing ORAF (Operational Risk Assessment Framework).

Encourage selectivity and strategic application of DFGG measures in projects: There is a variety of tools and approaches which could be implemented by task teams. The key issue is selectivity and strategic selection of DFGG measures keeping in mind realistic cost and capacity estimates and project time-frames. DFGG family could provide Bank task teams with technical advice on cost and capacity estimates of DFGG tools.

Build capacity and increase number of DFGG practitioners in the Bank: A key agenda item for DFGG teams across the Bank is increasing the capacity of staff to design and implement DFGG approaches and developing learning products that are relevant to operations. Trainings need to target field-based staff since an increasing percentage of operational task teams are located in country offices. An area that deserves attention in particular is developing and rolling out clinic-style trainings for operational teams to guide them in the selection of local partners for DFGG interventions. NGOs in many country contexts are politicized and open to elite capture. It is a challenge for Bank teams to identify the credible non-governmental partners to implement DFGG activities. The learning and capacity building

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[30] "DFGG family" refers to all practitioners across different World Bank units who are involved in DFGG-related activities

agenda should respond to this challenge. [31] Furthermore, the number of experienced staff with skills and specific experience in guiding operations and analytical work on DFGG is rather limited and unevenly distributed across Bank regions. Therefore, a key objective of training and capacity-building activities needs to be widening this resource pool by tapping into the potential contributions of more junior staff.

Objective 2: Moving from retail to wholesale approach (Scaling-Up)

Designing innovative pilot programs in thematic priority areas: There is a need to continue innovative pilot programs to support thematic priority areas for each region and to capture implementation experiences and lessons learned. The pilots could target key topics such as:

a) ***Fragile states:*** Reasons for orienting the DFGG work towards fragile states include: a) Fragile states are an emerging priority of our work Bank-wide, b) fragile states often tend to rely more directly on non-state actors for meeting basic services, but once the situation improves, the tendency is also to continue tapping into these existing resources, c) DFGG measures are not well targeted to high risk countries[32].

b) ***ICT:*** The opportunities brought about by extended cell networks in many IDA countries are bearing fruits in terms of access to information, and for citizen feedback mechanisms. (eg. SMS is particularly a useful method in countries where internet access is very limited particularly at the local level).

c) **EITI++/Natural resource Management:** There is an emerging need to strengthen demand side in EITI++ agenda, including natural resources. Pilots in this area could target budget monitoring/expenditure tracking in extractive industries, as well as design on capacity-building activities for CSOs.

Developing follow-up and dissemination strategies for successful pilots: Pilot initiatives are often not followed-up effectively. A large majority of DFGG-related activities are supported by Trust-Funds. The task teams run into financial difficulties for follow-up activities once the initial TF support runs out. The initiatives remain ad-hoc and short-lived unless they are tied to broader ongoing work at the country and project level. The DFGG family needs to put more emphasis on follow-up strategies to integrate the results of these pilot initiatives into operations, including possible funding channels for DFGG work.

Making better use of local governance and CDD activities for capturing implementation experiences on DFGG. Community driven development and local governance/ decentralization projects often cover DFGG elements by design. Some of these programs are recognized as DFGG programs while others are not and thus underappreciated in their potential as key entry points for DFGG work. The DFGG family could make better use of these programs as entry points.

Linking DFGG with country/project-level work in a more upstream and systematic manner: Starting dialogue with government and the key stakeholders in a timely manner would greatly help bring DFGG issues to the forefront. One approach for DFGG practitioners is to get involved in up-stream CAS discussions. Another approach is to strategically select and support DFGG friendly country strategies (Dominican Republic, Honduras, Albania, Cambodia, etc.) and operations (on the basis of risk, visibility,

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[31] There are a number of analytical work that has been completed in the Bank such as the Civil Society Engagement and multi-stakeholder engagement guidance note which gives tips on which partner to select for which purpose. Learning and capacity building activities can build on these existing documents

[32] See QAG report for more details.

innovation, loan amount, etc.) DFGG practitioners could provide cross-support to teams at CAS design stage; assist initiatives to implement Disclosure policy.

Objective 3: Demonstrating Results of DFGG for Development Effectiveness

Documenting good practices with concrete service delivery and development outcomes: The potential benefits of DFGG until now have not been adequately captured in terms of service delivery and development effectiveness outcomes. Most of the positive stories are from outside Bank; whereas the success stories in the Bank remain anecdotal. To date, there are few rigorous impact evaluations that isolate and quantify the development impacts of DFGG approaches. Documenting good practices with concrete outcomes and evaluating the impact of DFGG emerge as a key strategic priority for FY11-13.

Generating demand for impact evaluation of new projects that can produce relevant evidence for DFGG: There is currently lack of adequate information and skepticism among Bank staff on whether DFGG approaches can produce concrete results for development effectiveness. There needs to be further efforts by DFGG family to generate demand for impact evaluation of new projects. (For example, DIME (Development Impact Evaluation Initiative) held a workshop at the end of May 2010) which brought together a number of project teams across different topics to introduce them to Impact Evaluation Initiatives)

Developing an M&E framework for tracking the results of DFGG interventions: A standardized and institutionalized tracking system is crucial to harmonize and improve the quality of DFGG interventions across regions. There are ongoing efforts in the Bank to generate DFGG-indicators (eg.SDV's DFGG Indicator database). As a follow-up, an M&E system could be developed by approach (eg. complaints handling, third party monitoring) and by sector.

Identifying/Rewarding successful impact evaluations on DFGG-related interventions: A number of CDD projects, such as Kalahi-CIDSS and KDP have had rigorous impact evaluations which provide valuable lessons for DFGG practitioners. There are also other projects with robust impact evaluation components that are less known to Bank staff. The DFGG family can think of mechanisms similar to development marketplace to identify and reward successful practices of impact evaluations.

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Annex A: **Demand for Good Governance Cluster**

Objectives

- o   Enhancing development effectiveness of Bank operations through DFGG interventions
- o   Empowering people through strengthening transparency, accountability and inclusion (participation)
- o   Strengthening institutional foundations for sustainable local development

Outputs/ Deliverables

- o   Analytical products
- o   Learning activities
- o   Quality assurance
- o   Corporate review
- o   Partnerships

Voice and Accountability on a GAC Platform

Areas of Focus

I N T E R V E

Demand for Good Governance -Social accountability	**Local Space** Decentralization, Local Governance, Local Institutions	**Non-state actors**

Internal capacity-building (Bank staff on DFGG)

External capacity building (local governments in planning, budgeting), Parliament, NGOs, CBOs, Private sector, Media on DFGG

CDD

Mainstream DFGG tools in Bank operations: Citizen report card, PETS, social audit, PM&E, PB

Multistakeholder engagement and coalition building

Impact Evaluation

Local Action / Resilience

SDCC cluster

Fragile states

CCV

Gender

SGSI cluster

Transparency   **Participation**   **Accountability**

Social Sustainability and Safeguards

Organizing Principles

Strategic support

- o   Policy content
- o   Analytical inputs

Annex B: Challenges in Implementation of DFGG mechanisms

Type	Challenge	Description
External	**Weak enabling environment at the country-level:**	- Need to implement mechanisms in difficult environments with very little political buy-in from governments - Insufficient legal framework regarding decentralization, local service delivery, RTI - Little-buy from NGOs to work together with the government. Bank task teams can receive backlash simultaneously from government and NGOs (eg. Cambodia). - DFGG most challenging in conflict-affected environments, break-down of trust between state and non-state actors.
External	**Weak Capacity and credibility of national CSOs:**	- Lack of technical and organizational skills to monitor or engage in DFGG mechanisms. - Procurement/financial reporting systems not in line with donor standards. - Dependency on donor support in terms of both funds and manpower - Risk of politicization elite capture and fraud.
External	**Donor harmonization:**	- Lack of harmony in donor strategic vision and activities.
Internal	**Potential clash of DFGG approach with existing operational trends**	- DFGG is a resource intensive process. It requires time, money and expertise. Its impact many not be easily detectable. Many TTLs see it as a burden to their operational responsibilities. - Bank still measures success with quick disbursement of funds and number of projects taken to the Board.
Internal	**Limited capacity and resources within the Bank task teams**	- Shortage of experienced and knowledgeable DFGG practitioners. -Lack of mentoring and cross-support opportunities for junior staff for expanding the DFGG staff pool. - Shortage of Bank-funding for this agenda.
Internal	**Including too many interventions in project design**	- Inclusion of tools in project design without a strategic selection. - Little knowledge of the cost and capacity implications of including
Internal	**Insufficient demonstrated results from Bank projects:**	- The potential benefits of DFGG not adequately captured in terms of service delivery and development effectiveness outcomes. Few rigorous impact evaluations that isolate and quantify the development impacts of DFGG approaches. - Most of the positive stories are from outside Bank; success stories in the Bank remain anecdotal. - Lack of standardized results framework for DFGG and integration of existing outcome indicators into M&E systems at the project level.

In line with the Social Development Department's focus on inclusive and accountable institutions, the DFGG team is undertaking a range of activities under three main pillars: 1) Integrating DFGG into operations **(Mainstreaming):** 2) Moving from retail to wholesale approach **(Scaling-Up):** 3) Gathering a solid body of evidence on impact of DFGG on development effectiveness, and more narrowly on effectiveness of Bank operations **(Demonstrating Results):**

1. **Mainstreaming:**
   - *Training/Capacity Building Targeting Bank staff:* The DFGG cluster is currently working on developing training modules on DFGG in sectors in collaboration with other Bank units (GAC Squad, Human Development Network; GAC-in-Projects, etc.). In order to reach staff in country offices, the modules will also be developed in e-learning format.
   - *Operational Knowledge Products:* The DFGG How-to Learning Note and Case Studies Series provide brief and concrete guidance on how specific DFGG approaches and tools can be used in different geographical and sectoral contexts. Topics under development include How-To Notes on decentralization, citizen charters', community score cards, citizen report cards, complaints handling mechanisms, and citizen facilitation centers. The series will continue to produce notes on diverse topics such as budget transparency, fragile states, ICT for social accountability, etc. (To access the notes, please visit www.dfggdb.org)
   - *Revamping DFGG website with new operational add-ons:* Website will continue to be revamped with products such as a simple monthly newsletter, a decision tree on accountability tools for projects; "typical social accountability results chains" based on existing and refined indicators to improve M&E of DFGG (broadly defined) components/activities in projects. The team is also exploring is consultant roster for DFGG and the revamping of social accountability sourcebook by bringing the content up to date and making it more operationally relevant.
   - *DFGG Resource Database:* The team has launched an evolving DFGG Resource database, which currently includes 530 documents from internal and external sources. The purpose of the searchable database is to collect and make available DFGG resources for TTLs and other Bank practitioners so that easily integrate DFGG into their Bank operations.
   - *Strengthening the DFGG Community of Practice:* SDV recently launched a DFGG Practitioners' Group to increase internal collaboration and knowledge-sharing within the Bank on DFGG activities. SDV has also set up a DFGG Peer Learning Network which brings together DFGG practitioners with diverse expertise and geographic focus, including World Bank staff from Headquarters and field offices, as well as external members from academia, world-wide civil society and donor organizations.
   - *DFGG Speakers Series:* The purpose of the Series is to showcase innovative and successful Demand for Good Governance (DFGG) models from inside and outside of the Bank, illustrate the range of regional and sectoral contexts in which DFGG is being applied, and facilitate a flow of ideas and lessons learned amongst internal and external practitioners. The Series also aims to provide tools for TTLs and other Bank and external practitioners in order to integrate DFGG into their work.
   - *DFGG Pilot incubation:* Beyond the above initiatives, the SDV team has also undertaken projects and analytic work for mainstreaming DFGG into operations. These include: Local Government Transparency and Accountability in Africa (LOGTAFA), the Africa Local Council Oversight and Social Accountability Project (ALCOSA), Local Government Discretion and Accountability: Economic and Sector Work Reports, and the Local Government Competition of

Excellence (COPEGOL and Public Expenditure Management Reform through Budget Publication and other Social Accountability Approaches.

- *Launch a mentorship program to increase number of DFGG practitioners in the Bank:* There are plans underway for a SDV-WBI joint mentorship program. The proposed DFGG Mentoring Program envisages field-based mentoring opportunities to widen the Bank's human resource pool by tapping into the interest and potential contributions of more junior staff. The program will be grounded in the realization that the most effective way of building capacity for staff in DFGG tools and approaches is not sitting in training rooms and meetings, but rather is in the field implementing or observing first-hand the way it is implemented by others. It will build the individual skills of junior staff, equipping them to design, implement, monitor, and evaluate DFGG projects. By doing so, it will help operational units identify new staff and build a cadre of qualified professionals that are able to better respond to the growing demand for DFGG elements in projects. Mentees will be expected to assist in and contribute to all phases of the project on an as-needed basis, as determined by the mentor.

2. **Scaling-Up:**
- *Linking DFGG with Country/Project-level work:* The DFGG team in SDV is proposes to get involved in up-stream CAS discussions to integrate DFGG into Country Assistance Strategies. For this purpose the team intends to identify select strategic countries for upstream DFGG work and key operations for mainstreaming DFGG activities. The Social Development Civil Society Fund is being revamped to focus on key strategic priorities, such as disclosure policy implementation, budget transparency, and innovative use of ICT applications.
- *Developing a Strategic Framework as part of GAC-Phase II*: In FY11, SDV will lead a Bank-wide working group to develop a strategic DFGG Companion piece for integration into Phase II of the GAC Strategy.

3. **Demonstrating Results:**
- *Stocktaking of existing DFGG impact evaluations within the Bank:* Recognizing the need for robust impact evaluations of DFGG interventions, SDV has entered into a strategic alliance with the DIME (Development Impact Evaluation Initiative) to conduct a stocktaking of existing impact evaluations on DFGG. The preliminary results will be available shortly. The same initiative also strives to provide operational support to task teams on designing impact evaluation components for DFGG interventions through workshops conducted by DIME.
- *DFGG Indicator Reference Database:* The team is finalizing a DFGG Indicator Reference database, which currently has includes 340 indicators. The objective of the database is to provide task teams with a one-stop shop for DFGG indicators to include in the results frameworks of projects.

Activities and Partners of the DFGG Team in SDV

Objectives	Issue/ Activity	Actors
Mainstreaming	Capacity-building for Bank Staff	EAP Governance Hub, GAC Squad/ETW , OPCS (clinics), WBI (social accountability core- course, mentoring)
	Capacity-building for non-state actors	WBI/CommGAP/ ANSAs
	Strategic pilot theme- Fragile states	OPCS, AFR
	Strategic pilot theme- ICT	IFC, WBI-Innovation team,

	Strategic-pilots DFGG in sectors/Service Delivery	Infrastructure (GAC Squad, EAP Governance Hub, EASSD, WBI), Social Sectors (HD, AFR, SAR)
Scaling-Up	Regional DFGG Strategy and corresponding action plans	PRMPS, all regions (some are in more advanced stages than others, eg. LAC)
	A follow-up and dissemination strategy for innovative pilots:	AFRSD, CommGAP, GPF-funded initiatives in the regions
	Integrating DFGG into policy discussions during CAS design	All regions
	DFGG as part of GAC-Phase II	PRMPS
Results	Documenting good practices with impacts	PRMPS, OPCS, GAC squad, WBI, All Regions
	DFGG Indicators	PRMPS (AGI), NGOs (IBP)
	Impact Evaluation	DEC (DIME), IEG
	M&E frameworks for regional DFG action plans	All Regions

Past Social Development Department Activities on DFGG

The Social Development has been instrumental in developing DFGG frameworks and refining DFGG tools. Some notable examples are:

- ***Social Accountability Sourcebook***, which captures diverse experiences from across the world; ***ESWs on Decentralization and Local Governance***, which was initially led by the South Asia Region, but then deepened by SDV with two Economic and Sector Works (ESW) on local government discretion and accountability, with a strong emphasis on social/downward accountability. The first ESW proposed a comprehensive framework on how accountability structures fit into fiscal, political and administrative dimensions of decentralization.[33] The second ESW applies this framework to ten country and two sectoral case-studies to assess linkages between theory and practice in local governance, including social accountability.

Box 6: ESW on Local Governance Discretion and Accountability: Findings based on country and sectoral case studies

Political reforms—despite many weaknesses, elections remain the principal method through which eligible local citizens can have a voice in service delivery and can hold decision-makers accountable. The case-studies show that political discretion in the absence of appropriate checks and balances can result in local elite capture, single party domination, and nepotistic practices. A variety of social accountability mechanisms are employed to address some of political accountability failures, however outcome depends on the country context.

Administrative reforms—even when political and fiscal devolution proceed quickly, administrative changes in many contexts have only been understood in terms of deconcentration.[34] This has at times led

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[34] The least ambitious level of decentralization, where responsibilities are transferred to an administrative unit of the central government that is spatially closer to the population where service is to be provided, usually a field or regional office.

to confusion of roles, responsibilities, and conflict of interest between national and local levels, particularly in civil service management. Inadequate devolution over civil service and human resource functions is primarily driven by political factors. Granting administrative autonomy to local governments in civil service management leads to reallocation of jobs geographically and institutionally and loss of central control over financial flows. Therefore, central bureaucracies tend to resist local administrative discretion particularly in situations with strong political allegiances.

Fiscal reforms—defining roles and responsibilities among different levels of governments for fiscal functions including budget preparation, budget allocation, expenditure planning, and revenue generation has proven to be difficult. A major issue is unclear assignment of service delivery responsibilities. The case-studies also show that local governments are particularly unable to raise their own revenues either due to insufficient discretion to do so or due to lack of capacity.