

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**STRATEGY FOR PROMOTING CITIZEN PARTICIPATION
IN BANK ACTIVITIES**

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STRATEGY FOR PROMOTING CITIZEN PARTICIPATION IN BANK ACTIVITIES

I. INTRODUCTION: BACKGROUND AND OBJECTIVE

A. Mandates

- 1.1 The deep-seated changes that have swept Latin America and the Caribbean—democratization, economic reforms, decentralization—and the impact of globalization and new information technologies have brought with them a major realignment of the roles of the State, the marketplace, and different social actors. A prominent feature of this process is a recognition of the growing importance of citizen participation in public policy development and implementation. Another contributing factor is the emergence of a broad consensus on the need to put environmental, gender, ethnicity, and cultural concerns onto country development agendas across the region along with other issues associated with structural patterns of poverty and socioeconomic and political exclusion.
- 1.2 These concerns have been addressed in the mandates and lines of action adopted by the region's Heads of State and of Government. The recognition of the importance of public participation and the governments' commitments to encourage public input are embodied in a number of agreements. The 1992 Rio Declaration, for one, states that "environmental issues are best handled with the participation of all concerned citizens, at the relevant level."¹
- 1.3 That commitment was reaffirmed and expanded upon at the 1994 Summit of the Americas in Miami, at which participating governments agreed that "a strong and diverse civil society, organized in various ways and sectors, including individuals, the private sector, labor, political parties, academics, and other nongovernmental actors and organizations, gives depth and durability to democracy. Similarly, a vigorous democracy requires broad participation in public issues."² At the 1996 Santa Cruz Summit on Sustainable Development the participating Heads of State pledged to support and encourage, "as a basic requisite for sustainable development, broad participation by civil society in the decision-making process, including policies and programs and their design, implementation, and evaluation. To this end [we will] promote the enhancement of institutional mechanisms for public participation."³
- 1.4 In 1998, at the Summit of the Americas in Santiago, Chile, the Heads of State declared that "the strength and meaning of representative democracy lie in the active participation of individuals at all levels of civic life." They pledged to strengthen education for democracy and "promote the necessary actions for government institutions to become more participatory structures."⁴ They also requested the Bank to "develop and implement, along with interested States and

other inter-American institutions, hemispheric financial mechanisms specially devoted to the implementation of programs oriented toward strengthening civil society and public participation mechanisms.”⁵

- 1.5 In December 1999, after extensive hemisphere-wide consultations and in response to the mandates conferred at the summits, the Organization of American States (OAS) adopted the Inter-American Strategy for the Promotion of Public Participation in Decision Making for Sustainable Development. At the 2001 Summit of the Americas in Quebec City, Heads of State and Government from the hemisphere reaffirmed their resolve to “work with all sectors of civil society and international organizations to ensure that economic activities contribute to the sustainable development of our societies.” More recently, the Plan of Implementation of the September 2002 World Summit on Sustainable Development in Johannesburg called on all countries to “also promote public participation, including through measures that provide access to information regarding legislation, regulations, activities, policies and programmes” and to “foster ... public participation in sustainable development policy formulation and implementation,”⁶ in order to strengthen institutional frameworks for sustainable development. On 26 March 2003, the Permanent Council of the OAS approved the resolution entitled “Strategies for Increasing and Strengthening Participation by Civil Society Organizations in OAS Activities.”⁷
- 1.6 Lastly, at the Special Summit of the Americas, held in Monterrey, Nuevo León, Mexico, in January 2004, the governments of the Americas undertook to institutionalize formal opportunities for civil society participation in the Summits of the Americas processes. The Declaration of Nuevo León states: “We encourage the participation of civil society in the Summits of the Americas process and we undertake to institutionalize meetings with civil society and with the academic and private sectors.”

B. The IDB and citizen participation

- 1.7 From the above-mentioned mandates, the mandates received from the Bank’s governance bodies, and the experience amassed to date it is clear that there is an association between citizen participation and the Bank’s objectives and the operations it supports. “Participation” is understood to denote the set of processes whereby citizens, via their governments or directly, can influence the decision-making process relating to these activities and objectives. Thus interpreted, citizen participation does not mean deciding but rather having the possibility of influencing decisions that will fall to the responsible authority in each instance. Moreover, participation does not mean replacing—or lessening the role of—the governments of the Bank’s member countries as the institution’s primary interlocutors and members of its highest decision-making and governing bodies.

- 1.8 The Bank's Eighth Replenishment document states that it is essential that public policies be shaped through dialogue among national actors and be underpinned by broadbased, durable consensuses. This fits with the concept of democracy as the articulation of mechanisms of political representation and civic participation. Indeed, by contributing to the continual renewal of the legitimacy of democratic institutions, participation complements democracy-building processes.
- 1.9 International public institutions are expected to observe principles of transparency and accountability to their member countries. As the Eighth Replenishment document asserts, "the Bank is accountable directly to its member governments and indirectly to their parliaments and citizens."⁸
- 1.10 Modernization of the State—one of the Bank's institutional strategy priorities—entails a "reciprocal and complementary process of strengthening civil society."⁹ The adoption of such a cooperative, mutually complementary approach between the State and civil society, away from confrontational views, and its implications for public participation in the Bank's operations work is especially important given the limited cooperation (and in some instances mistrust and misunderstanding) that has existed between these two spheres in decades past owing to the prevailing political climate. As democratic systems have taken firm root in the region the sphere of cooperation between the State and civil society organizations has widened and, consequently, citizen involvement has become a prominent facet of Bank activities.
- 1.11 Employing a variety of participatory procedures the Bank has been able to "learn by doing" and amass valuable experience with public participation. The following are some of the approaches it has taken:
 - (i) Consultation processes for projects with environmental and social impacts and those entailing population resettlements.
 - (ii) Requirements for stakeholder participation in social investment funds and numerous projects designed for implementation in part by stakeholders and/or a variety of civil society organizations (CSOs). Stakeholder analysis is a required feature of logical framework development for every project.
 - (iii) The inclusion in many loan and technical cooperation operations of innovative mechanisms explicitly designed to encourage public participation.
 - (iv) Sector-strategy consultations with key civil society stakeholders (unions, nongovernmental organizations, business associations, community organizations, political parties, academic institutions, indigenous communities, interest groups, other civil society organizations).

- (v) Numerous country and regional public policy dialogues.
- (vi) Many meetings with civil society organizations at the country and regional level, out of which have come formal and informal Bank-civil society liaison arrangements, such as the Civil Society Advisory Councils created in some of the Bank's Country Offices.
- (vii) The Bank's information disclosure policy,¹⁰ by virtue of which a range of social actors are afforded an opportunity to make known their views, suggestions and objections in the early stages of project, policy, and strategy decision-making.
- (viii) The Independent Investigation Mechanism, under which complaints arising from Bank operations are processed, and the procedural rules of the Oversight Committee on Fraud and Corruption, which cover complaints and allegations from various actors.

1.12 In addition, since 2000 the Bank's Office of Learning (LRN), in close collaboration with the Regional Operations Departments and the Sustainable Development Department, has been conducting an intensive training program on participatory techniques as well as on the conceptual frameworks that underpin this document, for Bank officers at Headquarters and in the Country Offices.

1.13 It can be concluded from the Bank's experience that participation is an important, valuable component of its activities. The Bank now can capitalize on its experience and the experience of other international institutions as far as participatory mechanisms and procedures are concerned, to make its own operations more transparent and efficient and help bolster democracy in the region's countries and further their development.

C. Objective

1.14 The object of this paper is to establish general guidelines and criteria and specify areas of action in which the Bank can expand, strengthen, and systematize citizen participation in its activities. The idea is to move from the body of experience amassed to a set of procedures that will systematically provide for public participation in the Bank's operational activities. In contrast to the Bank's sector strategies, which set priorities for its work in a specific sector or thematic area in the countries, this paper is more on the order of a corporate strategy inasmuch as it refers to Bank procedures for incorporating public participation into its operational activities.

II. LESSONS LEARNED¹¹

- 2.1 There is a wealth of empirical evidence attesting to the merits of carefully designed and conducted participatory processes in development projects, in the form of efficiency, effectiveness, equity, and sustainability gains.¹² From a broader perspective, the Organization for Economic Cooperation and Development has affirmed that “strengthening relations with citizens is a sound investment in better policy-making and a core element of good governance. It allows governments to tap new sources of policy-relevant ideas, information and resources when making decisions. Equally important, it contributes to building public trust in government, raising the quality of democracy and strengthening civic capacity.”¹³
- 2.2 Constraints on participation are one factor in socioeconomic exclusion, when vast sectors of the population have no say in policies, programs or projects that affect them.
- 2.3 Input from the citizenry helps to ascertain and take into account the preferences of groups that have a stake in or are concerned about a given policy or project.
- 2.4 Citizen participation in the course of a project’s implementation and evaluation can help make certain that the operation’s benefits truly reach traditionally excluded groups and build capacity in interested and affected groups, reduce costs, heighten the public’s sense of ownership, and provide a better foundation for evaluations and for feedback for future activities and projects.
- 2.5 When there are participatory mechanisms in place for project-related dispute resolution they can help narrow the dispute and come up with adjustments to expedite the project’s execution. It is widely accepted that when people who stand to gain or lose from some activity, policy or project or are otherwise concerned about it have the opportunity to provide input, thereby bringing their views to bear on the decision-making process, the ultimate decisions are generally perceived to be more legitimate and win broader support.¹⁴
- 2.6 The above is closely related to project sustainability and the continuity of policies, an issue that has proven to be of great importance in terms of the effectiveness of development projects and policies. Indeed, by reinforcing the foundation of legitimacy of projects and policies, citizen participation can contribute significantly to their sustainability.
- 2.7 When stakeholders can perceive the potential benefits of a project or policy and feel a sense of ownership in its outcome they are more willing to put in money and labor of their own. Participation thus can beget additional resources for project and program execution and for an operation’s sustainability. Viewed from that angle, participation is a kind of nonfinancial asset at the disposal of every country, since it enables the execution of larger projects than budgets could otherwise accommodate.

- 2.8 There is no one-size-fits-all participation model: participation approaches depend on country-specific institutional, cultural, political and technical conditions and on the characteristics of a given segment of society or community and its particular needs and wants.
- 2.9 Participation should not be conceived as an alternative to the democratic system's processes and institutions but rather as a way to broaden, deepen and legitimize them. Indeed, the legitimacy of democratic institutions and authorities can periodically be reaffirmed through effective mechanisms for citizen participation in public policy making.
- 2.10 Citizen participation should be treated as a core element of policy, program and project development, encouraging the creation of social organizations, networks and fabrics to build capacity in individuals and social groups, equipping them to manage their own affairs and make their voice heard in negotiations with the public sector. Far from weakening a State and its operation, the existence of nongovernmental avenues for public input helps give legitimacy to the State and make it work better.
- 2.11 Today the interaction between governments, international organizations, and citizens is intensifying thanks to modern information technologies that are facilitating the development of active pro-participation policies and the concomitant improvements in government transparency and efficacy.

III. PRINCIPLES, CRITERIA AND GUIDELINES FOR BANK ACTION

- 3.1 In consideration of the Bank's nature and received mandates, and drawing from experience and lessons learned, a set of principles, criteria and guidelines can be put forward to guide the process of incorporating citizen participation into the Bank's operational activities.
- 3.2 Because the Bank is an intergovernmental institution, a prime consideration for including citizen participation in its activities is that its shareholders and principal clients are the governments of the member countries. Since those activities are structured around a dialogue with each country's government (the main interlocutor), the government's political will is a necessary condition for spurring public participation in Bank activities. There is a close tie-in between democracy strengthening in countries in the region and citizen participation prospects in each country and in Bank activities.¹⁵ The more robust a country's democratic system the greater the likelihood that its people will have a voice in public policy making and implementation and in government decision-making—including decisions that affect how the Bank operates. The region's political evolution in recent years has helped overcome the mistrust and occasional animosity that has colored relations between governments and civil society organizations.

- 3.3 Notwithstanding the aforementioned role of member country governments, stemming from the changes referred to at the start of this paper, other stakeholders—including a range of civil society organizations—have been emerging as frequent interlocutors of the Bank in different forms, both in its sector strategy development work and in decisions on activities in each country and their implementation.
- 3.4 With an increase in public participation comes, naturally, an increase in the number of stakeholders involved in the successive phases of an activity. Attention to this mounting input needs to be carefully balanced with the Bank's responsibility to address member country needs in timely fashion and make efficient use of the resources the countries have entrusted to the Bank. Both these concerns are underscored in the Bank's institutional strategy approved in 1999.¹⁶
- 3.5 A corollary of the foregoing is the need to act flexibly and try innovative approaches, since participatory processes can entail costs in time and resources for all parties and they will be shaped by country-specific institutional, cultural and political considerations. The challenge, in sum, is to maximize participation while minimizing disruptions in terms of time and resources as an operation is being prepared.
- 3.6 Similarly, participation does not imply that governments are replaced in the negotiation of terms and conditions for the various activities and operations to be executed with Bank support.
- 3.7 The underpinning for participation is a dialogue with and among a project's or activity's stakeholders. Participation is most meaningful when it gives concerned and affected parties the opportunity for timely and continual input.
- 3.8 To promote public participation in its activities the Bank will encourage observance of the following principles:
 - (i) **Inclusiveness.** The Bank will work with a broad concept of civil society that includes both its organized embodiments (nongovernmental organizations, unions, business associations, community organizations, academic institutions, political parties, interest groups, and other types of civil society organizations) and the communities and groups associated with Bank projects or specific activities. Participation processes will give a voice to parties who have a direct or indirect interest in or some association with the activity or project in question, parties who possess or might be able to provide relevant information, and any other party that is in a position to influence or has some stake in the activity's outcome. Where pertinent, regional and local governments will have input as well. The Bank recognizes that since traditionally marginalized or excluded groups will sometimes be at a

disadvantage where participation prospects are concerned, it will need to be more proactive with those communities.

- (ii) **Pluralism.** Because Bank-supported activities may have different effects on different individuals, social groups, populations or entities, it is essential that interlocutors be selected from all quarters that have a stake in or some association with the activity, policy or project in question. One feature of participatory processes in Bank activities will be to find ways of incorporating information and comments received from parties who are advancing differing viewpoints, and ways of advocating respect for these assorted views.
- (iii) **Opportunity for timely input.** The aim will be to build participation arrangements into every stage of the Bank's activities such that inputs received regarding an operation can have an influence on its design, its implementation, and its ultimate evaluation.
- (iv) **Transparency.** Information distributed in the context of the Bank's participatory processes, whether it comes from the Bank, borrower, project sponsor or any other party involved, will be provided proactively and for the purpose of permitting and encouraging dialogue. The information should be made available in a form and at a time which permits substantive assessment of the project and affords adequate time for comment.¹⁷
- (v) **Efficiency.** To ensure the efficient use of time and available resources, the kind of participatory approaches and methods pursued and their dimension will depend on the scale and complexity of the activity and its potential impact. There is no one standard formula: different kinds of activities will demand distinct approaches.
- (vi) **Cultural sensitivity.** Participatory processes for Bank activities will take due account of cultural diversity, including such issues as social organization and control concepts and systems, language, and gender, with a view to devising and operating efficient, situation-specific participatory processes.

IV. AREAS OF PARTICIPATION

- 4.1 There are four areas of Bank activity in which citizen participation can be systematically incorporated, on the explicit understanding that to participate means not to decide but to have the possibility of influencing decisions that will fall to the responsible authority in each instance. These areas are: (i) Bank input into the shaping of country development policies, plans and agendas; (ii) sector strategy and

country strategy formulation, (iii) project preparation and implementation, and (iv) evaluation of Bank activities.

A. Input into development policies, plans and agendas

- 4.2 Responsibility for defining a country's development agendas, plans and policies lies with its government agencies. To help make such policies, plans and agendas sensitive to citizen concerns, the Bank's Modernization of the State Strategy has as its objective to support countries in strengthening democratic systems, on the premise that public policies will better address the interests, demands and aspirations of the citizenry when there are sturdy democratic institutions in place. In a setting of democratic governance there are more opportunities and avenues for civic participation and for such public involvement to influence development planning and policy-making.
- 4.3 The foregoing point has to do with the scale of participation within each country for development agenda design and development planning and policy-making. But the Bank's own research work and studies, training, informational and consensus-building activities also have varying degrees of influence on the formulation of country development agendas, plans and policies. As more and more representatives of a wider range of social organizations and nongovernmental experts take part in them, these activities are becoming an important channel for public input into Bank-supported development plans and policies.
- 4.4 In addition to its research work and studies to help diagnose problems and come up with avenues of solution the Bank continually organizes workshops, seminars and conferences that indirectly influence country development planning and policy-making processes since these gatherings draw government officials, experts, and social and political leaders representing a broad spectrum of civil society organizations.
- 4.5 Training events run by the Bank (through the Inter-American Institute for Social Development, for instance) and training activities the Bank supports through loans and technical cooperation are another means of indirectly influencing country development planning and policy-making. Increasingly these training activities are being opened to people other than government officials.
- 4.6 Likewise, the Social Policy Dialogues the Bank has been fostering in recent years offer public officials, academics, experts and leaders of social organizations a forum in which to share experiences and discuss policy options in specific thematic areas.
- 4.7 The Bank also has been stepping up its promotion of country dialogues between government officials, experts and social leaders in order to further consensus-building around long-range development policies.

B. Sector and country strategy development

- 4.8 Periodically the Bank reviews, updates and produces a variety of sector strategies that lay out a conceptual and technical framework for its activities in various development spheres in the countries, along with the associated objectives and operational criteria.
- 4.9 The Bank has been steadily opening up the strategy development exercise to solicit comments, suggestions, and criticism from a wide range of social actors in its member countries. For some years now its practice has been to submit drafts of the strategies to a broadbased consultation process with civil society. Since these sector strategies greatly influence what the Bank does and how it goes about it, the strategy preparation process has proved to be one of the most important areas for public participation in Bank activities. Thus, consultation with civil society on strategies being developed should be formally built into the Bank's operational practices.
- 4.10 One particularly important activity since it constitutes the framework for the Bank's work in each country is the preparation of country strategies (formerly called country papers). The country strategy preparation guidelines approved by the Bank's Board of Executive Directors in March 2002¹⁸ state that "more systematic efforts should be made to undertake **consultations with other stakeholders**--private sector, labor, civil society, academia—in the early stages of the CP [country paper] preparation process, to ensure that the Bank's country strategy captures as comprehensive a societal view as possible." "This does not imply" (the Board-approved guidelines go on to say) "that the strategy is negotiated with these groups, since—in the end, the CP is a Bank document—but rather that the Bank listens to important segments of the society prior to drafting the CP, and benefits from their perspectives in the preparation of the Strategy." And, as the guidelines point out, "the extent of the consultation process and the selection of participants will, of course, vary across countries and situations."
- 4.11 In accordance with the aforementioned guidelines, consultations are to be undertaken in the initial stages of the Bank's country strategy paper preparation process with nongovernmental actors reflecting the broad notion of civil society established in paragraph 3.8 of this document. This way, the Bank listens to important segments of society and benefits from their perspectives and opinions, prior to drafting the strategy paper. The Bank has begun to release country strategies to the public with the consent of the respective government, once they are approved. Dissemination of these strategies also helps citizens, individually or via their organizations, to convey their views, suggestions and objections on an ongoing basis.

C. Project preparation and implementation

- 4.12 The Bank's action in each country takes the form of loans and technical cooperation operations that are its core activity. Generally speaking, these operations lend themselves to one or more forms of citizen participation. Negotiating the terms and conditions of loans to the public sector is the exclusive responsibility of the respective government entity. Negotiating the terms and conditions of loans to private sector entities is the responsibility of the respective entity; the government may be a party with respect to certain activities that may affect the operations of the private sector entity (e.g., concession-based financing or establishing tariffs), and could be consulted in that regard.
- 4.13 Certain kinds of operations, particularly those with significant environmental and social impacts, are more likely to benefit from public input. It has become common practice in the Bank to seek stakeholder input into such operations. In future there needs to be greater emphasis on the quality of stakeholder analysis, which is one element in developing a project's logical framework, to make certain that the views of sectors that might be affected by the operation are given due consideration.
- 4.14 Yet, not all projects warrant a consultation process. Accordingly, early in the project preparation stage (profile or conceptual document for the project), the Manager of the Regional Operations Department involved or the Manager of the Private Sector Department, where applicable, in communication with the respective government pursuant to the provisions of paragraph 6.2 below, will decide whether a project in particular should have a consultation or participation plan for the preparation phase or during implementation. In that event the Management Review Committee (CRG) and the Loan Committee, in consultation with the Committee on Environment and Social Impact (CESI) when considered necessary, will be responsible for verifying that the plan is adhered to. The Bank's Country Offices will have a prominent operational role in the process. During its review of a project the CESI may recommend that such a consultation or participation plan be devised. When a project has been subjected to a consultation process, the respective loan document will include an annex succinctly describing this process.
- 4.15 As for the implementation stage, projects can benefit from citizen participation when some of their components can be executed by the beneficiaries or by civil society organizations. Another form of public participation once a project is under way is community auditing, which helps ensure that a project will achieve its goals. Social Investment Funds and health, education, and housing projects are examples of operations in which the considerable body of experience amassed needs to be systematized so it can be tapped for operations design in the future.

D. Evaluation of Bank activities

- 4.16 The Bank has been heightening the emphasis on evaluations of its activities to make sure they are effective. This is another activity that can be opened to public participation, depending on the specific features of each area of participation and the nature of individual projects. For operations with a participation plan in place, in the logical framework and using methodologies tailored to identifying stakeholders and encouraging their involvement throughout the entire project cycle, indicators would be established as guideposts for an eventual ex post evaluation with citizen participation.

V. PARTICIPATION INSTRUMENTS

- 5.1 The three core instruments for citizen participation in Bank activities are information, consultation, and participation in the implementation of the activities themselves.

A. Information

- 5.2 Information is the true gateway to participation. Experience has shown that the availability of the right kind of information at the right time is, in and of itself, a participation vehicle. Public information contributes to a greater understanding and acceptance of Bank activities and spurs citizens to convey—on their own or through organizations that represent their interests—their views, objections and recommendations, thereby influencing decision-making processes.
- 5.3 When all of them have access to information, different social actors with differing degrees of power can compete transparently and fairly in pursuit of decisions that satisfy their respective interests.
- 5.4 To arrive at processes that afford balanced participation opportunities it is important that all stakeholders have timely access to accurate, sufficient, useful information. At times this may call for special efforts to reach traditionally excluded groups (perhaps entailing the use of local languages and specific technical assistance). One key piece of information is an activity's costs and benefits and how these will be distributed.
- 5.5 Acknowledging the importance of broad availability of information to the public, the Bank adopted an information disclosure policy¹⁹ that treats access as the norm and confidentiality as the exception. In the policy the Bank recognizes that information advances the understanding of its mission and increases transparency and accountability. The Bank is committed to extending and maximizing the transparency principle in applying its information disclosure policy.

- 5.6 The decision by the Bank's Board of Executive Directors to release country strategies (the frameworks for Bank action in each country) to the public is a significant step for citizen participation.
- 5.7 5.7 An active information policy is required to promote public participation in Bank activities. In order to deepen the information disclosure policy (approved in 1994 and updated in 1998 and 2001), the Board recently (November 2003) approved a new version that specifies in greater detail the documents available and extends the scope of the policy to important financial and institutional Bank matters. For example, in a very innovative decision, the IDB's new policy establishes that the Board of Executive Directors' annual work program will be published as will the minutes of its meetings and those of its Committees, as well as the reports of the committee chairs.
- 5.8 Advances in information and communications technologies are improving participation opportunities and mechanics, making information more readily accessible to more people and enabling them to make their views known. But since not everyone has equal access to these facilities, the Bank will on occasion have to use methods tailored to reach specific audiences, particularly excluded groups, which cannot access information on their own.
- 5.9 Timely and effective access to information on the part of member countries' citizens and civil society organizations is essential in other ways that go beyond the scope of this document but are directly related to it. In this regard, it is worth mentioning that the Bank's principle of accountability as an international public institution, mentioned in paragraph 1.9 of this document, also entails corrective mechanisms for situations that require them, and that also depend on access to information.
- 5.10 One case in point is the establishment in 1994 of the Independent Investigation Mechanism, the purpose of which is to channel complaints from groups that feel they have been negatively affected by operations that are not complying with the Bank's procedures and policies.
- 5.11 Another, on a much more general level, is the 2001 adoption of a systemic framework against corruption and the creation of the Oversight Committee on Fraud and Corruption. The implementation of these decisions has resulted in the institution of mechanisms aimed at providing information on the Bank's efforts against corruption and fraud, particularly to enable stakeholders to report instances of fraud and corruption.

B. Consultation

- 5.12 Consultation is the active soliciting of opinions, suggestions, criticism and recommendations from the public on Bank activities such as strategies, policies and

- projects. The object of consultation exercises is to ascertain views other than those of governments and the Bank's traditional counterparts, to enrich the Bank's decision-making process.
- 5.13 The guiding principle of consultation processes is the Bank's undertaking to apprise its management and governance bodies of all the comments received, even though it will not be able to incorporate all of the inevitably diverse views into the ultimate determination. In turn, the Bank will strive to inform consultation-process stakeholders of the process's outcome.
- 5.14 The precise form the consultation will take depends on the nature of the Bank activity in question. Some will be face-to-face meetings with communities or non-organized societal actors who are involved in a project or other Bank activity, or with experts and representatives of civil society organizations specializing in a given field or issue. Others will be electronic consultations, taking advantage of the facilities offered by modern information technologies. The Civil Society Advisory Councils (CSACs) can be an important instrument in helping to identify the consultation formats most suited to each particular case.
- 5.15 Many of the activities mentioned in section IV.A of this document, notably Bank-sponsored seminars, conferences and the policy dialogues being organized at the country level, are in themselves participation tools involving consultation in its broadest sense, since key social actors (experts, social organization representatives, etc.) are invited to take part in these events and exercises.
- 5.16 Lastly, the Bank's communication with the respective government regarding the consultation process for a particular activity or project will be another way to help identify the most appropriate format for the consultation process.

C. Participation in project implementation

- 5.17 Another mode of citizen participation that has been gaining importance in Bank activities is the involvement of community-based groups and other types of civil society organizations in the execution of Bank-funded projects.
- 5.18 Some projects, especially social-sector operations, are particularly suited for implementation of some components directly by the project beneficiaries or by civil society organizations.
- 5.19 Drawing on its own experience and that of other institutions, the Bank can establish criteria and guidelines to enable it to expand this participation avenue. Good-practices documentation can be a powerful spur to heighten citizen involvement in project implementation.
- 5.20 Notwithstanding the responsibilities that fall to borrowers and executing agencies in Bank-funded projects, the Bank plays an important role as well in encouraging the

adoption of these kinds of participatory processes when they are carefully built into an operation's design. Thus, the Bank should adopt operational guidelines to conduct, early on, a stakeholder analysis and decide on consultation and/or participation requirements for each project, as described in paragraph 4.14 of this document. On that basis, and where so decided, participation plans can be developed (likewise adhering to the guidelines ultimately adopted) to identify pertinent actors, action required, the respective phases or timetables, parties responsible for their execution, resource requirements and sources, and monitoring and follow-up arrangements. Stakeholder analyses and participation plans, when called for, will be produced following practical, flexible guidelines, and they will be fundamental for executing agencies, concerned social actors and the Bank itself to perform their respective roles in participatory processes.

VI. SOME OPERATIONAL CONSIDERATIONS

- 6.1 The Bank's instruments for broadening, strengthening and systematizing citizen participation should be geared to, and workable in, each of the areas of participation outlined earlier. In each there will be differences in participation formats, actors, opportunities, and scope, and primary operative responsibility for the participatory actions will be exercised differently in each area.
- 6.2 For specific projects, primary responsibility for channeling participation rests with borrowing governments and executing agencies, while the Bank's role is to encourage and promote the adoption of such participatory processes by providing for them in its operations design. For strategy development, participatory processes fall more within the Bank's realm of responsibility. As for input into development agendas, plans and policies, normally the responsibilities are more the countries' purview though, as was noted earlier, many activities that can help shape such policies and plans are within the Bank's sphere of responsibility. The Bank has prime responsibility for the design and use of participatory mechanisms in evaluations.
- 6.3 Participation processes have a cost, in terms of time and resource requirements. These costs have to be balanced with timing and prompt-implementation requirements in specific activities of the Bank. The first consideration here is that there is no off-the-shelf participation model that will work in every situation or in every public participation area discussed above. Accordingly, it is essential to maintain flexible procedures and methods, within the context of the principles and criteria already mentioned.
- 6.4 A second consideration for resolving the potential conflict between time and resource costs, on the one hand, and quick, timely decision-making on the other, is that there is less scope for such conflicts in the country development agenda, planning and policy-making process and in sector and country strategy preparation.

- To the extent that those plans, policies, and strategies drive the programming of Bank lending and technical cooperation in each country, appropriate citizen participation in the preparation of the plans, policies and strategies will carry weight in determinations on Bank lending and technical support.
- 6.5 Specific projects may require ad hoc participation approaches, which should be addressed at the early stages of project identification. In that way the time and resource requirements can be known early on, to build public participation elements into the operation's design and, where so decided, its implementation, thereby ensuring the efficient allocation of funds and time among operations and within an individual operation's processing.²⁰ The Bank's Country Offices are deemed to have an essential role to play in the organization and implementation of participatory processes throughout the project cycle.
- 6.6 Participation will become more meaningful and efficient as institutional frameworks for participation improve and executing agencies build capacity to produce and disseminate information and conduct participatory processes. Equally important will be capacity building for responsible stakeholder participation. The various parties' ability to articulate their interests and translate them into proposals, access and assimilate information, dialogue and negotiate, and find common ground is a capability that is bolstered as it is exercised, but it also can be cultivated through training and learning activities, publications, exchanges and seminars. Another way to help strengthen in-country capacity is to identify local technical support sources and make active use of them.
- 6.7 To assure balanced participation opportunities in the context of the activities programmed in each country, the Bank will give particular attention to the needs of civil society organizations for technical assistance to strengthen their negotiating and interlocutory capacity in participatory processes and develop their organization and management capabilities. In some situations the Bank will give attention to capacity building and strengthening in population groups that are at a disadvantage in terms of their ability to participate. This would include indigenous communities, poor campesinos, low-income women, and other groups often characterized as marginalized or excluded.
- 6.8 6.8 Potential public participation avenues or tools can be grouped into two classes. One has to do with processes and methods, such as public information, consultation, and participatory evaluation, the other with structures such as ad hoc committees, advisory groups, implementing agencies and other liaison and consultation arrangements. The two classes of instruments are mutually complementary and, generally, both of them are needed. An important first step in identifying participation structures will be an examination of the existing forms of social organization as potential sources of support for participatory processes. In any event, the Bank will seek multiple, appropriate interlocutory channels and there should be no assumption that particular groups or organizations speak for civil

society at large. In this regard, it is necessary to reinforce the practice of setting up Civil Society Advisory Councils (CSACs) in the Bank's Country Offices, which need to be broad-based and diverse, with members periodically renewed.

VII. MONITORING

- 7.1 The Interdepartmental Working Group on Participation and Civil Society (GIPSC) created by the Bank's Coordination Committee of Management should continue to articulate Bank initiatives in the civil society area and monitor this strategy's implementation. An important adjunct to that ongoing monitoring function will be the Annual Report on Citizen Participation in Bank Activities, which will be the GIPSC's responsibility to prepare.

VIII. ACTION PLAN

- 8.1 The following activities will comprise the action plan for the strategy's implementation:
- (i) Actively publicize the strategy among staff of Bank units whose work includes or could include participatory activities (Regional Operations Departments, Country Offices, EXR, SDS, etc.).
 - (ii) Continue and augment training for Bank staff in participatory techniques and working with civil society, with particular attention to skills development in these fields for Country Office staff.
 - (iii) Complete and update methodologies for stakeholder analysis, participation needs assessment, and preparation of participation plans.
 - (iv) Develop operational guidelines on citizen participation for the various participation areas and/or instruments identified in this document. These should be flexible enough to adapt to different institutional, cultural, political and socioeconomic settings. Each such guide will provide methodology guidelines, set procedures, and specify decision points and the responsible areas or bodies.
 - (v) Revise current operational procedures as needed to make sure they contribute to the pursuit of the participation strategy throughout the project cycle. A special focus of attention will be to specify the responsibilities of the different Bank areas or levels involved in the project cycle.
 - (vi) Strengthen existing thematic networks (EnlacesNet, ParticipationNet, etc.) and create additional networks and other communication avenues

to spur the flow of information on lessons learned and good practices among responsible and interested parties within and outside the Bank.

- (vii) Every year following approval of this paper prepare an Annual Report on Citizen Participation in Bank Activities, which would be the responsibility of the GIPSC.
- (viii) Strengthen Civil Society Advisory Councils (CSACs) in the Bank's Country Offices and finish organizing CSACs in offices that have yet to create one. These should be flexible, pluralistic, advisory and consultation bodies of the Country Offices but should not preclude other liaison and coordination arrangements between Country Offices and civil society organizations. Provision needs to be made for adequate resources for Country Offices for that purpose and to be able to fulfill other responsibilities that will fall to them in implementing this strategy.

NOTES

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- ¹ Rio Declaration on Environment and Development, Principle 10. United Nations Conference on Environment and Development.
 - ² Plan of Action, First Summit of the Americas, in *Official Documents of the Summit Process, from Miami to Santiago*. Vol. 1 (OAS, Washington, D.C., 1998), p. 2.
 - ³ Declaration of Santa Cruz de la Sierra. Summit of the Americas on Sustainable Development, Santa Cruz de la Sierra, Bolivia, 7-8 December 1996.
 - ⁴ Declaration of Santiago, Second Summit of the Americas. OAS, Official Documents (op. cit.), p. 44.
 - ⁵ Plan of Action, Second Summit of the Americas. *Ibid.*, p. 55.
 - ⁶ Plan of Implementation, World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002.
 - ⁷ CP/RES.8 40 (1361/03), 26 March 2003.
 - ⁸ IDB, *Report on the Eighth General Increase in Capital of the Inter-American Development Bank* (document AB-1704, August 1994, par. 2.95).
 - ⁹ IDB, Frame of reference for Bank action in programs for modernization of the State and strengthening of civil society. GN-1883-5, 13 March 1996.
 - ¹⁰ IDB, OP-102, *Disclosure of Information*. Updated as of November 2003.
 - ¹¹ This section on lessons learned draws heavily from the conclusions of the "Social Programs, Poverty and Citizen Participation" seminar held in Cartagena, Colombia, in conjunction with the 1998 Annual Meeting of the IDB Board of Governors.
 - ¹² The IDB has documented a number of such cases. Thirty-two cases of participatory projects were presented at a seminar held in Cartagena, Colombia, in conjunction with the 1998 Annual Meeting of the IDB Board of Governors. "Social Programs, Poverty and Citizen Participation." IDB, 2000.
 - ¹³ OECD. Public Management Policy Brief No. 10.
 - ¹⁴ W. Chan Kim and Renée Mauborgne, "Fair Process: Managing in the Knowledge Economy." *Harvard Business Review* (July-August 1997), pp. 65ff.

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- ¹⁵ Supporting democracy strengthening in the region's countries as a condition for inclusive, efficient public policy making is an explicit objective of the Bank's new strategy for modernization of the State, approved by the Board on 23 July 2003 (document GN-2235-1). This strategy highlights, for example, the importance of institutional and technical strengthening of legislative branches so that they can effectively channel citizens' participation in the exercise of their representative function.
- ¹⁶ GN-2335-1.
- ¹⁷ IDB, GN-2077-1. *Renewing the Commitment to Development. Report of the Working Group on the Institutional Strategy.*
- ¹⁸ IDB, GN-2020-6, 5 March 2002: *Country paper guidelines. Final revised version.* By decision of the Board of Executive Directors on 27 March, the name "country paper" was changed to "IDB country strategy."
- ¹⁹ IDB, OP-102, *Disclosure of Information.*
- ²⁰ One tool that could serve this purpose is the *Participation Matrix* developed by the Indigenous Peoples and Community Development Unit of SDS. This matrix establishes a scale of impact and sustainability risks for activities based on their complexity and the proportion and type of population affected. The more complex the operation and the larger the share of the population affected, the greater the need for citizen participation. Though the matrix was developed to evaluate participation requirements only for projects, it could be adapted to assess such requirements in the other areas of Bank activity.