

CIVIL SOCIETY ENGAGEMENT POLICY





HUMAN DEVELOPMENT DIVISION

RESILIENCE AND SOCIAL
DEVELOPMENT DEPARTMENT

2019



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ABBREVIATIONS

10YS	10-Year Strategy
CSO	Civil Society Organization
MDB	Multilateral Development Bank
MCPS	Member Country Partnership Strategy
NGO	Non-governmental organization
OECD	Organisation for Economic Co-operation and Development
P5P	President's Five-Year Plan (IsDB)
SDG	Sustainable Development Goal (United Nations)
RCO	Regional Cooperation Organization





PURPOSE, OBJECTIVES AND BACKGROUND

The purpose of this Civil Society Engagement Policy is to set the strategic direction of the Islamic Development Bank (IsDB, the Bank) for engaging systematically with civil society organizations (CSOs). The objectives of the policy are to: (i) create a framework of dialogue, consultation and partnership with CSOs to foster the sharing of knowledge, experiences and best practices; and (ii) Improve direct assistance through CSOs to local communities in Member Countries and to the Muslim communities of non-member countries.

The Policy is based on a technical policy study for that study's executive summary), and on recommendations from a wide range of internal and external consultations with Member Countries, development partners and CSOs. This Civil Society Engagement Policy is also set in the context of the background described in the following paragraphs, and the policy recognizes the different types of CSO and the diverse needs, trajectories and stages of development of the 57 IsDB Member Countries and Muslim communities elsewhere.

The Bank's Member Countries face numerous socio-economic challenges, including poverty, fragility, violent conflict, and man-made and natural disasters. These challenges have generated humanitarian crises, which have led to increases in internal displacement and refugee populations. Despite significant economic growth in Member Countries, income inequality and unemployment have increased. Addressing these challenges requires the consolidated and coordinated efforts of all development actors, including governments, civil society, donors and others.

Much has changed in international development since the IsDB non-governmental organization (NGO) programme

was created in 1997. Prior to the 1990s, there was little discussion on civil society, and international donors and their partner countries did not need to consider civil society engagement in their operations and planning. Since then, there has been significant growth in the role of civil society. The official development assistance channelled through civil society organizations (CSOs) by members of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD) increased from US\$4.8 billion in 1997 to over US\$19 billion in 2016. Social infrastructure and services were the main sectors of intervention for bilateral official development assistance channelled through CSOs. Humanitarian assistance, or emergency response, became the second most important area of aid channelled through CSOs.

Several important meta-level changes have taken place in sustainable development programming and policymaking since 1997. Among these is an increase in funding for humanitarian and emergency relief, which has come about due to the growing number of countries in fragile and conflict situations. The changes also include a greater focus on humanitarian assistance, resilience and social development.

In line with the United Nations 2030 Agenda for Sustainable Development, IsDB remains at the forefront of addressing the complicated and diverse challenges faced by its Member Countries in all economic and social sectors. IsDB's 10-Year Strategy (10YS) and the President's Five-Year Programme (P5P) call for the increased participation of NGOs and CSOs as elements of the network of developers in IsDB development interventions. The new P5P road map expands the Bank's framework of collaboration with those CSOs that are aligned to the development efforts pursued by Member Countries.

DEFINITIONS

Civil society refers to an arena of collective action between citizens on the one hand, and the state and market on the other hand. It is bound by norms and networks of civic engagement, and composed of an array of self-governing, voluntarily formed and autonomous, non-profit associations pursuing publicly defined purposes. Civil society is the network of autonomous associations that citizens voluntarily create to address common problems, advance shared interests and promote collective aspirations.

Engagement is defined as the two-way relationship between CSOs and IsDB as pertains to its principal interventions – policy dialogue, operations (programmes and projects), and technical and advisory services. Civil society engagement includes a number of mechanisms or means along a continuum of engagement by IsDB – from dialogue, consultation and outreach, to partnership and collaboration. The Bank will make reasoned decisions in selecting CSOs for engagement among the following three types of CSO.

Primary or grassroots associations include community-based organizations and self-governing bodies. Given that IsDB, like other multilateral development banks (MDBs), lacks a comparative advantage in working directly at this level, it will look closely at a strategy of working with and through intermediary CSOs to reach the grassroots level. Primary CSOs include resource user associations (e.g., in

relation to water, grazing lands, forests), grower cooperatives, savings and credit clubs, farmers' associations, youth and women's groups, self-help groups, and community-based organizations.

An **intermediary** stratum of organizations connects the base or primary level of civil society to social, economic and environmental institutions. NGOs fall into this stratum of civil society and their principal role is representing the primary level and providing them services. These CSOs could engage with the Bank in its programmes and projects. The intermediary organizations include development NGOs, regional (subnational) CSO networks, thematic (environment, education) consortia, and subnational cooperatives and credit unions.

A more specialized set of **tertiary** support organizations undertake critical functions for the "realm" of civil society itself and its individual members. These include think tanks, policy institutes, capacity-building CSOs, labour unions, thematic and regional networks, and CSO apex or umbrella organizations that represent the entire sector and/or provide services to it. Philanthropic organizations like foundations, endowments and charitable trusts play an important role in supporting intermediary and primary CSOs – through capacity-building and providing grants, for example, and as critical partners with IsDB in its own resource-mobilization efforts.

SCOPE



This Civil Society Engagement Policy is guided by the Sustainable Development Goals (SDGs) and by the Bank's 10YS and P5P. The policy takes into account the decentralized organizational structure and strategic priorities of the Bank. It benefits from the experience, best practice and lessons learned by IsDB and MDBs more widely in civil society engagement.

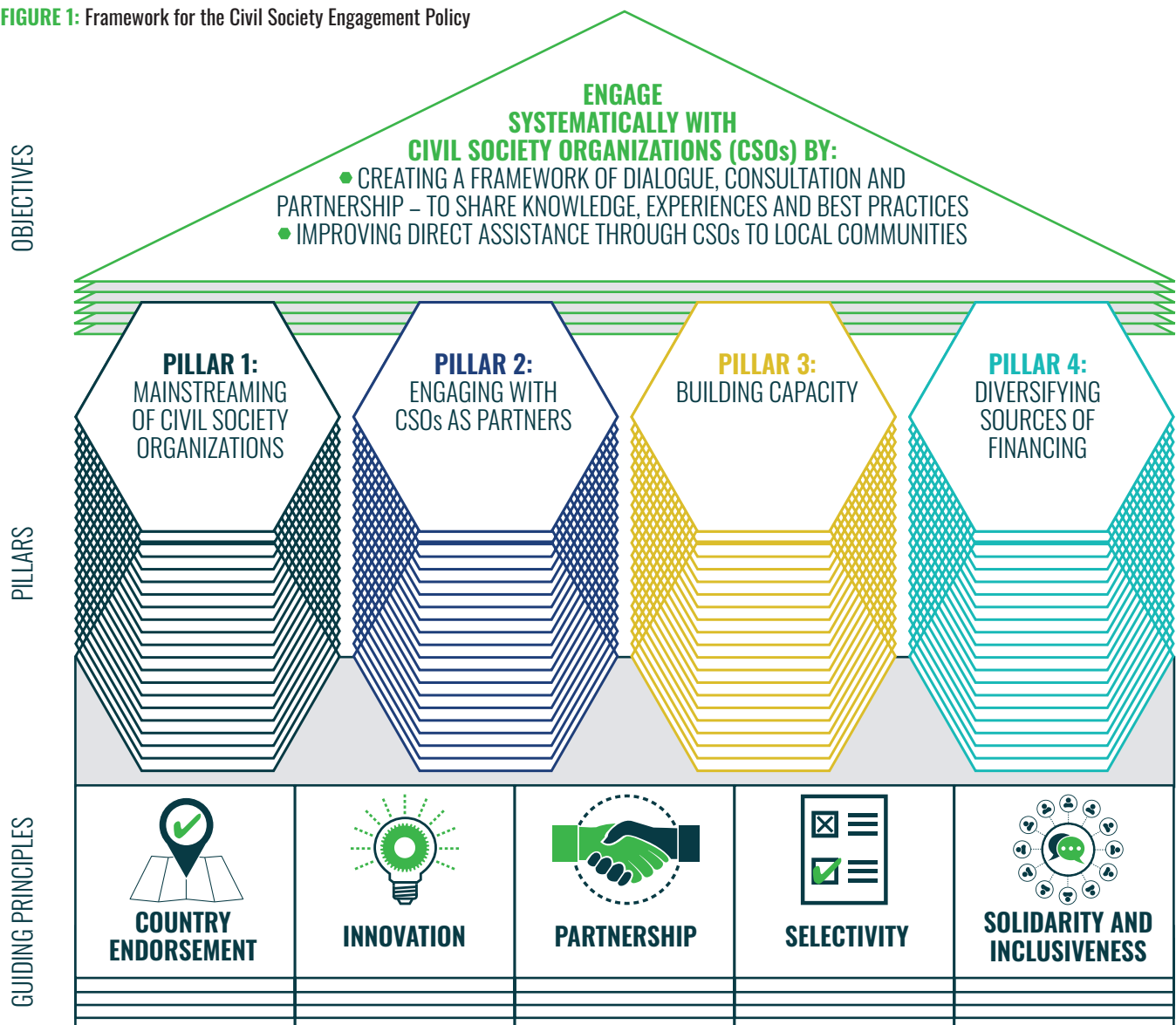
POLICY FRAMEWORK

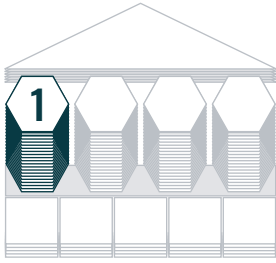
Figure 1 illustrates the framework of this policy. It has four pillars, namely: mainstreaming, engaging with CSOs as partners, building capacity and diversifying the source of financing. The five guiding principles are country endorsement, innovation, partnership, selectivity, and solidarity and inclusiveness. The policy provides general guidance to the Bank to engage more effectively with civil society. It outlines the way in which the Bank will mainstream civil society engagement in Member Countries and Muslim communities elsewhere, at the levels of Headquarters and the Regional Hubs.

Civil society has a comparative advantage in reaching communities with a range of services from both public and private sectors in the places where IsDB-financed

programmes and projects take place. Intermediary CSOs, including development NGOs, cooperatives, savings and credit organizations, have developed expertise in areas of social development (e.g., health and education sectors, women and youth development), climate change, infrastructure and economic growth (e.g., agricultural production and processing), and environmental protection (e.g., natural resource management). The Bank will also engage with international and local development NGOs that have been leading the delivery of humanitarian services, and building resilience and social development – these organizations are often the first on the ground during disasters. This includes the provision of basic necessities (e.g., food, shelter, water) and the delivery of essential services (e.g., primary healthcare, immunizations).

FIGURE 1: Framework for the Civil Society Engagement Policy





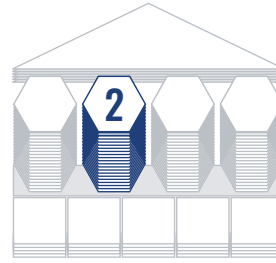
PILLAR 1: MAINSTREAMING OF CIVIL SOCIETY ORGANIZATIONS

IsDB's engagement principles focus on five aspects – collaboration, participation, dialogue, information and outreach – each of which contributes to the overall goal of mainstreaming civil society participation in the Bank's country engagement, programmes, projects and operations. Collaboration means effective cooperation between CSOs and the Bank in knowledge development such as seminars, publications on specific topics, technical exchanges in workshops, face-to-face or online training sessions, and thematic roundtables with CSOs acting as either providers or beneficiaries. It also includes the involvement of CSOs in the implementation of project components in the Bank's operation.

Participation with stakeholders, including CSOs, in IsDB's development of policies, strategies, programmes and projects is necessary for effective mainstreaming. IsDB encourages dialogue with CSOs through the Bank's annual meetings, regional forums and/or thematic meetings. The Bank will disseminate information on policies, programmes and projects (subject to information disclosure policies). IsDB will increase its outreach to target engagement with those CSOs that might not otherwise have access to IsDB programmes, projects and services. The CSOs that have the necessary capacity will participate in the procurement of services, goods and works to implement the Bank's development programmes and projects.

IsDB will develop a medium-term strategy for engaging with CSOs in a given Member Country and choose those CSOs that can best support the achievement of the Bank's project results. In the short term, the Bank will select a few CSOs to begin with in particular – those with a proven track record of working with donors and approved by Member Country governments.

Engagement with CSOs will preferably begin with Member Country Partnership Strategies (MCPSs). The development of an MCPS needs to be viewed as the principal engagement mechanism by which CSOs are identified for participation in a given country. These should specify the roles they would take on and the level of resources that would be required for this participation. These aspects will lead to the development of an agreement outlining the selected CSO's terms and conditions of engagement, resource allocations, and so on. Where a Member Country does not have an MCPS, IsDB will engage with CSOs through its development programmes and projects in line with the country's priorities.

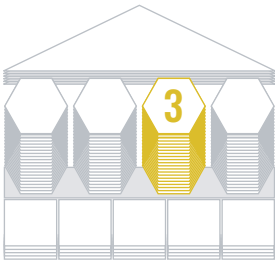


PILLAR 2: ENGAGING WITH CIVIL SOCIETY ORGANIZATIONS AS PARTNERS

Given IsDB's strong commitment to the partner-developer role for civil society in its operations, the Bank will promote a mechanism that does not convey the notion that CSOs are being engaged solely to implement an IsDB-financed programme, but instead will promote engagement modalities that convey partnership and the achievement of mutually agreed objectives. This is in line with the P5P notion of the Bank as a network of developers. As partners, CSOs can play an important role in the Bank's value-chain approach, national development plans and strategies.

For countries in fragile or conflict situations, the principal engagement model will be to work through international CSOs – often the first to respond in these contexts – to manage the support for local CSOs, which are often relatively under-resourced. This would happen through grants, technical assistance, training and other forms of assistance. This intermediary or umbrella model has been successful with other donors, normally through a 'cooperative agreement' mechanism, which lays out the terms and conditions of funding, specifying those areas in which IsDB would have substantive involvement.

AS PARTNERS, CSOs CAN PLAY AN IMPORTANT ROLE IN THE BANK'S VALUE-CHAIN APPROACH, NATIONAL DEVELOPMENT PLANS AND STRATEGIES

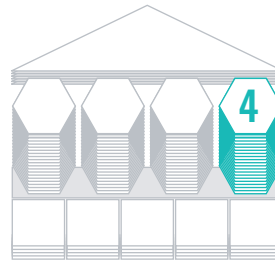


PILLAR 3: BUILDING THE CAPACITY OF CIVIL SOCIETY ORGANIZATIONS

This policy pillar, consistent with the notion of partner-developer, is to provide targeted CSOs with capacity-building support that means they complete a set of responsibilities agreed with IsDB and the CSOs' government partners, while also being left better off in terms of capability and sustainability than they were before their engagement with the IsDB.

The Bank is committed to begin with building capacity within a subset of organizations participating in its activities. This would contribute to the overall capacity of CSOs and, therefore, to the strengthening of civil society more broadly alongside the government and the private sector in matters of national development. Longer-term consideration will be given to building the capacity of CSOs with a regional mandate and coverage. National CSOs that have worked with and benefited from IsDB capacity-building support could provide assistance to CSOs in other Member Countries and Muslim communities.

THE BANK IS COMMITTED TO BEGIN WITH BUILDING CAPACITY WITHIN A SUBSET OF ORGANIZATIONS PARTICIPATING IN ITS ACTIVITIES



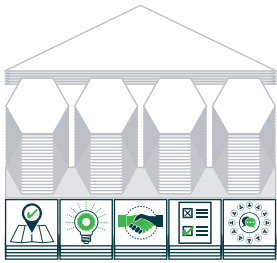
PILLAR 4: DIVERSIFYING SOURCES OF FINANCING

This Civil Society Engagement Policy will adopt a range of options for mobilizing resources to support the Bank's commitment to engage with and, where appropriate, finance civil society actions. These include existing and proposed IsDB financing instruments, and innovative and non-traditional financing mechanisms.

The principal action of the policy is to develop a resource-mobilization plan that analyses and maps the various financing sources (e.g., traditional and non-traditional donors, and international funds), their thematic interests, geographical preferences, and the requirements for requesting, managing and reporting on grant funding. In addition to encouraging Member Country governments to include selected CSOs in IsDB-funded programmes and operations, several other major avenues for resource mobilization will be pursued, such as crowdfunding platforms.

The Bank will deploy other financing instruments such as the NGO Programme, Awqaf Properties Investment Fund, Islamic Solidarity Fund for Development (ISDF), the Transform Fund and several trust funds. The policy also takes into account IsDB's new direction, particularly in the commitment to greater civil society participation in Bank operations and at all levels. Moreover, IsDB also deploys innovative financing mechanisms under the NGO Transformation Programme, deploying zakat, private sector and philanthropists' engagements.

IN ADDITION TO ENCOURAGING MEMBER COUNTRY GOVERNMENTS TO INCLUDE SELECTED CSOs IN ISDB-FUNDED PROGRAMMES AND OPERATIONS, SEVERAL OTHER MAJOR AVENUES FOR RESOURCE MOBILIZATION WILL BE PURSUED, SUCH AS CROWDFUNDING PLATFORMS



GUIDING PRINCIPLES



This Civil Society Engagement Policy is aligned with the strategic pillar of inclusive social development in the Bank's 10YS, the Bank's P5P and with the SDGs. The following five guiding principles will steer IsDB's overall engagement with CSOs.



COUNTRY ENDORSEMENT

IsDB promotes country ownership, endorsement and support for its engagement with CSOs. The alignment of CSO programmes, projects and activities with national development policies, plans, strategies and priorities is necessary for the CSOs to work with IsDB as partner-developer as well as being important to the Bank's mainstreaming of civil society engagement in its interventions. The Bank will work with CSOs that are acceptable to Member Country governments.



INNOVATION

IsDB will promote and support innovative and transformative socio-economic development programmes and projects that advocate the use of technology and have potential to scale up to increase development results and impact. The Bank will also promote the use of cutting-edge flexible financing mechanisms such as crowdfunding platforms, social financing, and so on.



PARTNERSHIP

The partnership with philanthropies, foundations, non-traditional partners, MDBs, bilateral donors, regional organizations, intergovernmental organizations and United Nations agencies would position IsDB to leverage resources and provide earlier and broader assistance. This principle requires the Bank to introduce value-added partnerships through a network of developers and non-traditional partners willing to work with the Bank as partners.



SELECTIVITY

The Bank will partner and work with primary, intermediary and tertiary CSOs carrying out humanitarian, economic and social development interventions in Member Countries and Muslim communities in non-member countries. The selection of CSOs will be carried out by the Bank through mapping and screening exercises based on a set of criteria to be developed. IsDB will not engage with CSOs that have a political or partisan agenda, nor become involved in areas that may be sensitive in the context of Member Country and Muslim community policies.



SOLIDARITY AND INCLUSIVENESS

This policy adheres to Islamic principles and practices, which provide the underpinning values allowing IsDB to support humanitarian and development interventions in its Member Countries and in Muslim communities of non-member countries through the CSOs. The principles of inclusiveness in which no population group in a Member Country or Muslim community is left behind in IsDB interventions will be a critical element of IsDB decision-making when selecting programmes and projects for financing.

ROLES AND RESPONSIBILITIES

For the successful implementation of this Civil Society Engagement Policy, it is necessary to define the key roles and responsibilities of the parties involved as contributors, enablers and facilitators. IsDB shall raise awareness among different units of the Bank to increase an understanding of the significant role of CSOs in development interventions. The Bank will increase its in-house staff capacity and specialization in terms of engaging with CSOs in ways that support Member Countries. As a facilitator, IsDB will play an advocacy role by: (i) bringing together key actors and CSOs to support hard-to-reach populations; and (ii) promoting the participation and representation of CSOs in international forums in Member Countries of the Organisation of Islamic Cooperation. In addition, the Bank will advocate that national development policies encourage CSO participation in the economic and social development interventions of Member Countries.

This policy concerns all IsDB engagement with CSOs. The Bank will develop specific operational strategies and guidelines for engagement with CSOs in specific contexts. Internally, the Country Programme Complex of IsDB will lead the operationalization of this policy, with different roles being enacted by other entities and departments. The Bank will take all necessary arrangements to safeguard its activities from any potential risk associated with CSOs.

IsDB will approach each Member Country, within its framework and regulations, to determine willingness to engage with civil society in general and with a selected number of CSOs in particular. If there is a willingness to engage, the Bank can use outreach and play the role of neutral broker/mediator with the government of the Member Country, to consider the targeted CSOs for participation in IsDB country engagement, programmes and projects.

IsDB will articulate a set of results to be achieved and a corresponding set of indicators to measure its impact and effectiveness in achieving the specified results. The monitoring and evaluation plan will take a results-based management approach, which promotes staff empowerment and accountability in performing their duties with the aim of achieving results in terms of engaging with civil society. The monitoring and evaluation plan will stipulate the frequency of data collection for determining a baseline for each indicator and monitoring the progress of planned targets for each result. It will also specify who collects, analyses and reports on the data relative to each performance indicator.

RELATED POLICIES

This Civil Society Engagement Policy is related to IsDB's 10YS and with the P5P objectives of reaching poor segments of society in a way that is inclusive and fosters partnerships with a broader range of new actors, including CSOs. The policy is also related to the 17 SDGs, and is consistent with the best practices set out by development institutions, including MDBs and development partners.

This policy has linkages with existing and/or planned country policy documents, including 'Country Engagement and Programming', 'Member Country Classification', and 'Dealing with De-facto Governments', and with various Operational Policy, and Operations Management and Administration documents. This Civil Society Engagement Policy will also be related to other policy documents such as 'Science, Technology and Innovation', 'Partnership Development', 'Resource Mobilization', 'Regional Cooperation and Integration', 'Reverse Linkage', 'Women's Empowerment', 'Youth Development', 'Economic Empowerment', 'Islamic Solidarity Fund for Development (ISFD)', 'Education', 'Health', 'Transport', 'Energy', 'Climate Change, Fragility and Resilience', 'Knowledge Management', and other relevant policies and strategies that may be operational during the policy period.

VERSION HISTORY

This is the first Civil Society Engagement Policy of the Bank to be approved by the IsDB Board of Executive Directors. The policy builds on the experience of IsDB's engagement with CSOs, such as the NGO programme, which provides direct grants to local NGOs in Member Countries to complement government efforts in education, health, agriculture, poverty alleviation, economic empowerment, women's empowerment and youth development. This policy also encourages dialogue and information sharing between IsDB and CSOs. This policy will be reviewed periodically for updated future versions.

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2019





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