

Nongovernmental Organizations in World Bank- Supported Projects





Nongovernmental Organizations in World Bank–Supported Projects: A Review

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ENGLISH FOREWORD

World Bank-supported projects have worked with nongovernmental organizations for nearly two decades, and the strength of that collaboration has grown since the late 1980s. These organizations are important to the Bank because of the skills and resources they bring to emergency relief and development activities and because they foster participatory development processes. This study assesses the contribution NGOs have made to Bank-financed investment projects.

The study is based on a desk review of NGO involvement in Bank-supported projects, a review of the literature on NGOs and evaluation, an assessment of 37 Bank-supported projects in five country case studies (Bolivia, Brazil, India, Kenya, and Mali), and consultations with Bank staff, member government representatives, NGOs, foundations, and other donors.

The study concludes that the Bank's guidelines on working with NGOs are sound. They correctly encourage borrowers and staff members to consult with and involve NGOs as appropriate in Bank-supported activities, including all stages of project processing, in conformity with the relevant policies of borrower governments. Thus, the principal recommendation of the study is that the Bank should ensure that existing guidelines be used more effectively. In addition, OED recommends that the Bank develop strategic partner-

ESPAÑOL PREFACIO

Desde hace veinte años, el Banco Mundial colabora con organizaciones no gubernamentales en los proyectos que respalda. Dicha colaboración se ha ido intensificando desde finales del decenio de 1980. Estas organizaciones son importantes para el Banco por los conocimientos y recursos que aportan a las actividades de desarrollo y de socorro en casos de emergencia, y porque fomentan el proceso de desarrollo participatorio. En este estudio se evalúa la contribución de las ONG a los proyectos de inversión financiados por el Banco.

El estudio se basa en un análisis documental de la participación de las ONG en proyectos respaldados por el Banco, un examen de las publicaciones sobre ONG y evaluaciones, una evaluación de 37 proyectos respaldados por el Banco en cinco estudios de países (Bolivia, Brasil, India, Kenya y Malí), y en consultas con personal del Banco, representantes de gobiernos miembros, ONG, fundaciones y otros donantes.

En el estudio se llega a la conclusión de que las directrices del Banco para trabajar con ONG son acertadas. Alientan debidamente a los prestatarios y a los miembros del personal a consultar con las ONG y, según proceda, a obtener su participación en actividades respaldadas por el Banco en todas las etapas de la elaboración de proyectos, de conformidad con las normas pertinentes de los gobiernos prestatarios. Así pues, la recomendación principal del estudio es

FRANÇAIS PRÉFACE

La Banque mondiale travaille depuis près de 20 ans avec les organisations non gouvernementales dans le cadre des projets qu'elle finance et cette collaboration s'est renforcée depuis la fin des années 80. Ces organisations sont importantes pour la Banque en raison des compétences et des ressources qu'elles apportent à l'appui des activités de secours d'urgence et de développement et parce qu'elles encouragent les processus de développement participatif. La présente étude évalue la contribution des ONG aux projets d'investissement financés par la Banque.

Cette évaluation se fonde sur une analyse documentaire de la participation des ONG aux projets financés par la Banque, une étude des ouvrages publiés sur les ONG et l'évaluation, un bilan de 37 projets financés par la Banque dans les cinq pays considérés (Bolivie, Brésil, Inde, Kenya et Mali) et des consultations avec des agents de la Banque, des représentants de gouvernements des pays membres, des ONG, des fondations et d'autres bailleurs de fonds.

La présente étude conclut à la viabilité des principes guidant la collaboration de la Banque avec les ONG. Ces principes encouragent bien les emprunteurs et les services de la Banque à consulter les ONG et à les associer comme il convient aux activités financées par la Banque, notamment à tous les stades du cycle du projet, dans le respect des politiques menées par les gouvernements emprunteurs. La

E N G L I S H ships with agencies experienced in working with NGOs; increase capacity building for Bank staff, borrowers, and NGOs; use more flexible project implementation procedures; and strengthen the monitoring of NGO involvement in Bank-supported projects.

E S P A N O L que el Banco vele por un uso más eficaz de las directrices actuales. Además, el DEO recomienda que el Banco establezca relaciones estratégicas con organismos acostumbrados a trabajar con las ONG; fortalezca la capacidad de su personal, de los prestatarios y de las ONG; aplique procedimientos de ejecución de proyectos más flexibles e intensifique el seguimiento de la participación de las ONG en proyectos respaldados por el Banco.

F R A N C A I S principale recommandation de l'étude est donc que la Banque veille à ce que ces principes soient mieux appliqués. En outre, l'OED préconise que la Banque mette en place des partenariats stratégiques avec des organismes ayant l'habitude de travailler avec des ONG ; s'efforce davantage de renforcer les capacités des services de la Banque, des emprunteurs et des ONG ; assouplisse les procédures d'exécution des projets ; et améliore le suivi de la participation des ONG aux projets appuyés par la Banque.



Robert Picciotto
Director-General, Operations Evaluation Department

ENGLISH

EXECUTIVE SUMMARY

The World Bank defines non-governmental organizations as private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development.¹



Two subsets of NGOs are particularly important in Bank-supported projects: national or international NGOs that act as intermediaries to support work at the grassroots, and organizations of individuals within a particular community. Whereas NGOs serve others, community-based organizations (CBOs) exist to serve their members. This report maintains throughout the distinction between NGOs and CBOs.

Bank policies favoring associations with NGOs/CBOs include an Operational Policy Note in 1981, an Operational Directive, and a

ESPAÑOL

RESUMEN

El Banco Mundial define a las organizaciones no gubernamentales como organizaciones privadas dedicadas a aliviar el sufrimiento, defender los intereses de los pobres, proteger el medio ambiente, prestar servicios sociales básicos o procurar el desarrollo comunitario¹.

Dos subgrupos de organizaciones no gubernamentales de especial interés en los proyectos respaldados por el Banco son las ONG nacionales o internacionales que actúan de intermediarios para apoyar las actividades a nivel local y las organizaciones de individuos en una comunidad determinada. Mientras que el propósito de las ONG es servir a otros, el de las organizaciones comunitarias de base (OCB) es servir a sus miembros. A lo largo de este informe se observa una distinción entre ONG y OCB.

Las normas del Banco que favorecen la asociación con ONG/

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RÉSUMÉ ANALYTIQUE

La Banque mondiale définit les organisations non gouvernementales comme des organismes privés dont les activités visent à aider les personnes en détresse, à promouvoir les intérêts des pauvres, à protéger l'environnement, à fournir des services sociaux de base ou à entreprendre des activités de développement communautaire¹.

Deux sous-groupes d'ONG revêtent une importance particulière pour les projets financés par la Banque : les ONG nationales ou internationales, qui relaient les actions menées à l'échelon local, et les groupements de proximité. Si les ONG sont au service de la collectivité, les organisations communautaires de base (OCB) ont vocation à servir leurs membres. Les auteurs du présent rapport font constamment la distinction entre ONG et OCB.

Plusieurs instruments de la Banque encouragent la collaboration avec les ONG/OCB, notamment une Note de politique opérationnelle publiée en 1981, une Directive opérationnelle et un document sur les Pratiques recommandées². La Banque n'accorde pas directement de prêt aux ONG/OCB, mais elle les encourage à participer aux activités qu'elle finance conformément aux politiques menées par les gouvernements emprunteurs. Cette participation des ONG/OCB aux activités financées par la Banque est prévue depuis 1972 et l'institution en rend compte chaque année depuis 1983³.

La politique de la Banque reconnaît que les ONG/OCB peuvent fournir le moyen d'atteindre les communautés

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Good Practice.² While the Bank does not lend directly to NGOs/CBOs, it encourages their participation in Bank–supported activities in conformity with borrower government policies. The

Bank has recorded provision for NGO/CBO involvement in Bank–supported activities since 1972 and reported annually on this since 1983.³

Bank policy recognizes the potential of NGOs/CBOs to reach poor communities and remote areas at low cost, identify local needs, promote participation, and transfer technology. Their potential weaknesses include limited managerial and technical capacities, uncertain sustainability, localized operations, limited replicability, and weak accountability. Hence, judicious involvement of such organizations, properly coordinated with the activities of public agencies, facilitate the pursuit of equitable and sustainable development. On the other hand, few generalizations about the role of NGOs/CBOs are meaningful: just as country circumstances and borrower capacities are highly differentiated, these organizations are diverse, their performance is variable, and their readiness to engage with governments and the Bank cannot be taken for granted.

The study

This Operations Evaluation Department (OED) study sought to identify factors contributing to successful World Bank–NGO collaboration. It hypothesized that NGO/CBO effectiveness in Bank–supported projects is the product of the country environment for the organizations; the relationships

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OCB incluyen una Nota de Política Operacional de 1981, una Directriz Operacional y una Práctica Recomendada². Si bien el Banco no presta directamente a ONG/OCB, alienta su participación en actividades

respaldadas por él de conformidad con políticas de los gobiernos prestatarios. Desde 1972, el Banco ha constituido reservas para la participación de ONG/OCB en actividades que respalda y ha informado anualmente al respecto desde 1983³.

La política del Banco reconoce el potencial de las ONG/OCB para llegar a las comunidades pobres y a zonas remotas sin incurrir en grandes gastos, identificar necesidades locales, fomentar la participación y transferir tecnología. Sus posibles puntos débiles incluyen capacidad técnica y de gestión limitada, sostenibilidad incierta, operaciones localizadas, posibilidad de duplicación limitada y responsabilidad deficiente. De aquí que una prudente participación en dichas organizaciones, debidamente coordinada con las actividades de organismos públicos, facilite la búsqueda del desarrollo equitativo y sostenible. Por otra parte, se pueden hacer pocas generalizaciones válidas sobre el papel de las ONG/OCB: del mismo modo que las circunstancias del país y la capacidad del prestatario son sumamente diferenciadas, estas organizaciones son diversas, su desempeño es variable y su presteza a colaborar con gobiernos y el Banco no se puede dar por seguro.

El estudio

En este estudio del Departamento de Evaluación de Operaciones (DEO) se trata de identificar los factores que contribuyen a la fructífera colaboración entre el Banco Mundial y las ONG. Se

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pauvres et les régions reculées à moindre coût, de déterminer les besoins des populations locales, de promouvoir la participation et de favoriser le transfert de technologie. Elles peuvent cependant laisser à désirer du

point de vue de leurs compétences techniques et de gestion, de leur viabilité, de l'étendue de leur champ d'intervention, de la transposabilité de leurs activités et de la prise de responsabilité. Si l'on s'assure à bon escient de leur concours, moyennant une coordination étroite avec les actions menées par les organismes publics, on pourra plus facilement parvenir à un développement durable et équitable. Il faut néanmoins se garder des généralisations s'agissant du rôle des ONG/OCB : de même que la situation propre à chaque pays et les capacités de chaque emprunteur sont très différentes, ces organisations sont très diverses, leurs résultats variables et leur disposition à collaborer avec les pouvoirs publics et la Banque ne saurait être tenue pour acquise.

L'étude

Cette étude du Département de l'évaluation des opérations (OED) vise à déterminer les raisons pour lesquelles la collaboration entre la Banque mondiale et les ONG est fructueuse. Elle part du principe que l'efficacité de l'action des ONG/OCB dans le cadre des projets financés par la Banque est directement liée au cadre dans lequel les organisations opèrent dans le pays ; aux relations qu'entretiennent les organisations, les pouvoirs publics et la Banque ; et à l'aptitude des organisations à prendre en temps voulu les décisions qui s'imposent lorsqu'elles traitent avec leurs bailleurs de fonds, leurs partenaires et leurs clients.

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between the organizations, governments, and the Bank; and the capacities of the organizations to make relevant, timely decisions when dealing with their financiers, operating partners, and clients.

A gap between promise and performance

Comparison of information in the Bank's NGO database with individual projects indicates that the language of NGO/CBO involvement in Bank-supported projects exceeds the reality. The demand for partnerships with NGOs/CBOs exceeds the supply of willing and able partners. Equally, the Bank and borrowers have tried to do too much too quickly without building up their own capacity to work with NGOs/CBOs, and without clear indicators of progress. Consequently, Bank appraisal documents, on which the Bank's NGO database and progress reports are based, are unreliable indicators of NGO/CBO involvement: "NGO involvement" is interpreted too broadly and the database describes intentions, not achievements. By reporting planned involvement rather than actual results, claims regarding NGO involvement in Bank operations are inflated.

IDA and IBRD funding of NGOs/CBOs

Bank-assisted projects support CBOs far more often than NGOs, but the funding pattern is not reliably known. OED surveyed the task managers of 194 projects with provision for NGO/CBO involvement.⁴ For the 107 projects reported on, the Bank approved \$894 million to support activities involving civil society over 13

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argumenta que la eficacia de las ONG/OCB en proyectos respaldados por el Banco es el resultado del ambiente que el país ofrece a las organizaciones; la relación entre las organizaciones, los gobiernos y el Banco; y la capacidad de las organizaciones de adoptar decisiones pertinentes y oportunas en sus tratos con sus patrocinadores, socios y clientes.

Diferencia entre promesas y cumplimiento

Una comparación de la información contenida en la base de datos del Banco sobre las ONG con proyectos individuales indica que la descripción de la participación de las ONG/OCB en proyectos respaldados por el Banco supera la realidad. La demanda de asociaciones con ONG/OCB excede la oferta de socios capaces e interesados. De igual modo, el Banco y los prestatarios han tratado de hacer mucho y demasiado pronto, sin fortalecer su propia capacidad de trabajar con ONG/OCB y sin indicios claros de progreso. En consecuencia, los documentos de evaluación del Banco, sobre los que se elaboran las bases de datos y los informes de actividades, no son indicadores fieles de la participación de las ONG/OCB: «participación de ONG» se interpreta de una forma demasiado amplia y la base de datos describe intenciones, no resultados. Al informar sobre la participación prevista y no sobre los resultados reales, se exageran las declaraciones con respecto a la participación de las ONG en las operaciones del Banco.

El financiamiento por la AIF y el BIRF de las ONG/OCB

Los proyectos respaldados por el Banco apoyan a las OCB con mucha más frecuencia que a las ONG, pero la

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Des résultats non conformes aux promesses

Si l'on compare les informations contenues dans la base de données constituée par la Banque sur les ONG et les projets proprement dit, on constate que la réalité n'est pas à la hauteur du discours sur la participation des ONG/OCB aux projets financés par la Banque. La demande de collaboration avec des ONG/OCB dépasse le nombre de partenaires motivés et capables. De même, la Banque et les emprunteurs ont voulu trop faire, trop vite, sans se donner au préalable les moyens de collaborer avec les ONG/OCB et sans avoir défini d'indicateurs d'avancement précis. Les documents d'évaluation à partir desquels ont été établis la base de données sur les ONG et les rapports d'avancement de la Banque ne sont pas des indicateurs fiables de la participation des ONG/OCB : la « participation des ONG » est définie trop librement, et la base de données fait état d'intentions, et non de résultats. En rendant compte de la participation au stade des déclarations d'intention et non des résultats concrets, l'information dont on dispose sur la participation des ONG aux opérations de la Banque est hypertrophiée.

Le financement des ONG/OCB par l'IDA et la BIRD

Les projets appuyés par la Banque financent des OCB beaucoup plus souvent que des ONG, mais la répartition de ces financements n'est pas connue avec exactitude. L'OED a effectué une enquête auprès des chefs de 194 projets pour lesquels une participation des ONG/OCB⁴ avait été prévue. Si l'on considère les 107 opérations ayant fait l'objet d'un rapport, la Banque a

E N G L I S H years.⁵ Of this, 80 percent (\$715 million) supported CBOs; 5 percent (\$45 million) supported national or indigenous NGOs; and only 1 percent (\$9 million) supported international NGOs. The balance (\$125 million) was for other civil society organizations.

Eighty-two percent of the funds earmarked for NGOs/CBOs originated with the International Bank for Reconstruction and Development (IBRD) and 18 percent with the International Development Association (IDA).⁶ Funds allocated for NGOs/CBOs were mainly for project implementation (94 percent of projects) but rarely for preparation (17 percent of projects). For completed projects, actual disbursements for NGO/CBO activities are 84 percent of the amount planned.

In 28 percent of projects (30 of 107), NGO/CBO involvement was expected without project funding. In six projects, financing was adjusted during implementation to support NGOs/CBOs when no provision had been made at approval. Notably, in several of the best-performing projects, NGOs committed their own funds.

NGOs/CBOs and aggregate project performance

Best practice suggests that the potential impact of NGOs and CBOs on development operations can be high. But actual impact depends on overcoming the numerous obstacles that stand in the way of effective partnerships. Provision for NGO/CBO involvement is high in projects where participation is critical, notably in social funds (82 percent of projects approved

E S P A N O L norma de financiamiento no se conoce suficientemente. El DEO hizo una encuesta entre los jefes de 194 proyectos en los que se había hecho provisión de fondos para la participación de ONG/OCB⁴. En 107 proyectos el Banco había aprobado US\$894 millones para apoyar actividades en las que intervenía la sociedad civil a lo largo de 13 años⁵. De esa cantidad, 80% (US\$715 millones) se destinaba a apoyar a OCB, el 5% (US\$45 millones) a ONG nacionales o autóctonas, y sólo el 1% (US\$9 millones) a ONG internacionales. El saldo (US\$125 millones) se destinaba a otras organizaciones de la sociedad civil.

El 82% de los fondos asignados a ONG/OCB provenía del Banco Internacional de Reconstrucción y Fomento (BIRF) y el 18%, de la Asociación Internacional de Fomento (AIF)⁶. Los fondos asignados a las ONG/OCB se destinan principalmente a ejecución de proyectos (94% de los proyectos), rara vez a su preparación (17% de los proyectos). Con respecto a los proyectos terminados, el desembolso real para actividades de ONG/OCB representa el 84% de la cantidad prevista.

En 28% de los proyectos (30 de 107), se esperaba la participación de las ONG/OCB sin financiamiento del proyecto. En seis ocasiones en que no se habían constituido reservas para la participación de ONG/OCB al aprobarse el proyecto, se ajustó el financiamiento durante la fase de ejecución para apoyarlas. Cabe señalar que en varios de los proyectos que tuvieron más éxito, las ONG utilizaron sus propios fondos.

ONG/OCB y desempeño global de los proyectos

La práctica óptima sugiere que las ONG y las OCB pueden tener un efecto

F R A N C A I S approuvé 894 millions de dollars pour financer des activités visant à associer la société civile aux projets sur une période de 13 ans⁵. Ce financement est allé pour 80 % (715 millions de dollars) à des OCB ; pour 5 % (45 millions de dollars) à des ONG nationales ou locales ; et pour 1 % à peine (9 millions de dollars) à des ONG internationales. Le solde (125 millions de dollars) est allé à d'autres organisations de la société civile.

Les fonds réservés aux ONG/OCB provenaient pour 82 % de la Banque internationale pour la reconstruction et le développement (BIRD), et pour 18 % de l'Association internationale de développement (IDA)⁶. Les fonds affectés aux ONG/OCB devaient essentiellement servir à financer l'exécution des projets (94 % des projets), mais rarement la préparation (17 % des projets). Si l'on considère les projets achevés, les décaissements effectifs au titre d'activités d'ONG/OCB ont représenté 84 % des décaissements prévus.

Dans 28 % des projets (30 sur 107), une participation des ONG/OCB était prévue, sans financement. Dans six projets, le montant du financement a été revu en cours d'exécution pour financer des activités d'ONG/OCB qui n'avaient pas été prévues au stade de l'approbation. Il est à noter que, pour plusieurs des projets figurant parmi ceux qui ont donné les meilleurs résultats, les ONG ont engagé leurs propres ressources.

Participation des ONG/OCB et performance globale des projets

Si l'on en croit les pratiques recommandées, les ONG et les OCB peuvent beaucoup influencer sur les opérations en faveur du développement. Mais cette influence ne

E N G L I S H through FY97); population, health, and nutrition (57 percent); and environment (54 percent). However, at the aggregate level, OED was unable to link provision for NGO/CBO involvement to overall outcomes, institutional development, or sustainability of projects. Similarly, for projects under implementation between FY95 and FY97, provision for NGO/CBO involvement appears to have no significant effect on meeting development objectives or making implementation progress.

Project performance

OED assessed 37 operations with significant NGO/CBO involvement in five countries: Bolivia (10), Brazil (4), India (8), Kenya (8), and Mali (7). These countries were chosen for the high frequency of projects with provision for NGO/CBO involvement; the length of project experience with NGOs/CBOs; the variations in their environments for NGOs/CBOs; their geographic dispersion; their evidence of substantive NGO/CBO involvement; and, wherever possible, the existence of comparable projects *without* provision for NGOs/CBOs. The assessment indicates that the achievement of outcomes sought through NGO/CBO involvement is modest: the involvement of the organizations was unsatisfactory in 19 of 37 assessments made. Six projects are rated as highly satisfactory on their NGO/CBO involvement.

Many of the better-performing projects assessed are recent (under preparation or approved since 1995), suggesting that partnerships are becoming more effective. Six of nine recent projects were either

E S P A N O L importante sobre las operaciones de desarrollo. Pero el efecto real depende de que se puedan superar los numerosos obstáculos que se oponen al establecimiento de relaciones eficaces. La provisión de fondos para la participación de las ONG/OCB es elevada en proyectos en los que ésta se considera crítica, sobre todo en fondos sociales (82% de los proyectos aprobados en el ejercicio 1997); población, salud y nutrición (57%) y medio ambiente (54%). Ahora bien, a nivel global, el DEO no observó ninguna relación entre los fondos constituidos para la participación de las ONG/OCB y los resultados generales, el desarrollo institucional o la sostenibilidad de los proyectos. De manera similar, para los proyectos que estaban en ejecución entre los ejercicios 1995 y 1997, los fondos destinados a la participación de las ONG/OCB parecen no haber afectado de manera significativa el logro de los objetivos de desarrollo o el progreso de las operaciones.

Desempeño de los proyectos

El DEO evaluó 37 operaciones que tenían una participación importante de las ONG/OCB en cinco países: Bolivia (10), Brasil (4), India (8), Kenya (8) y Malí (7). Estos países fueron seleccionados por la gran frecuencia de proyectos en los que se había hecho provisión de fondos para la participación de ONG/OCB; la duración de la experiencia del proyecto con ONG/OCB; las variaciones del ambiente que ofrecían a las ONG/OCB; su dispersión geográfica; sus pruebas de contar con una participación considerable de ONG/OCB y, cuando era posible, la existencia de proyectos comparables en los que *no* se había hecho provisión de fondos para la participación de ONG/OCB. La evaluación indica que la consecución de los resultados que se deseaba obtener

F R A N C A I S peut se faire sentir concrètement qu'une fois éliminés les obstacles qui s'opposent à une collaboration efficace. On table beaucoup sur la participation des ONG/OCB dans les projets pour lesquels elle est capitale, en particulier pour les projets de fonds sociaux (82 % des opérations approuvées durant l'exercice 97) ; de population, santé et nutrition (57 %) ; et d'environnement (54 %). Globalement, cependant, l'OED n'a pas pu établir de lien entre, d'une part, le fait de prévoir une participation des ONG/OCB et, d'autre part, les résultats globaux du projet, le renforcement institutionnel ou la viabilité du projet. De même, pour les projets exécutés entre les exercices 95 et 97, le fait d'avoir prévu d'associer les ONG/OCB n'a guère eu d'impact, semble-t-il, sur la réalisation des objectifs de développement ou l'avancement de l'exécution.

Performance des projets

L'OED a évalué 37 opérations auxquelles ont considérablement contribué des ONG/OCB dans cinq pays : Bolivie (10), Brésil (4), Inde (8), Kenya (8) et Mali (7). Ces pays ont été choisis en raison : de la fréquence élevée des projets prévoyant la participation d'ONG/OCB ; de la durée de la participation des ONG/OCB aux projets ; de la diversité des cadres nationaux dans lesquels opèrent ces ONG/OCB ; de la répartition géographique de ces pays ; des preuves tangibles de la participation des ONG/OCB qu'ils pouvaient fournir ; et du fait qu'ils avaient réalisé, lorsque c'était possible, des projets comparables *sans* la participation d'ONG/OCB. Il ressort de l'étude que les objectifs que l'on cherchait à atteindre en encourageant la participation des ONG/OCB ont été

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satisfactory or highly satisfactory at the time they were assessed for this study.

Successful outcomes depend on mutually reinforcing factors

A satisfactory outcome appears to depend on a supportive environment for NGOs/CBOs, effective working relationships with NGOs/CBOs, and partner capacities that are both equal to the task and in balance. Only one-third of the successful outcomes recorded occurred when these three determinants were not all fully satisfactory. Only 11 percent of the satisfactory outcomes display two of the three determinants as mixed or weak.

Partnership approach is ad hoc

Partnership depends on shared goals, adequate understanding of relative roles, and alignment of capacities and procedures to reach goals. In half the projects assessed, the partners had divergent objectives, did not understand well how the others worked, did not match capacities with appointed roles, and did not adjust their administrative procedures to meet the needs of others. OED's assessments of individual projects revealed more about procedural difficulties in evolving relationships than it did about development effectiveness.

The enabling environment

A supportive environment for NGO/CBO activity is critical for a satisfactory outcome. This entails support by government leaders and, more important, a willingness by public sector managers in line agencies to work with NGOs/CBOs. A supportive legal frame-

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mediante la participación de ONG/OCB es modesta: la participación de las organizaciones fue insatisfactoria en 19 de los 37 casos evaluados. Seis proyectos se clasificaron de sumamente satisfactorios en lo

que respecta a su relación con las ONG/OCB.

Muchos de los proyectos de mejor desempeño que fueron evaluados son de fecha reciente (están en preparación o han sido aprobados desde 1995), lo que indica que se están estableciendo relaciones más eficaces. Seis de nueve proyectos recientes se clasificaron como satisfactorios o muy satisfactorios cuando fueron evaluados para este estudio.

El éxito del resultado depende de factores que se complementan mutuamente

Un resultado satisfactorio parece depender de la existencia de un ambiente propicio para las ONG/OCB, relaciones eficaces de trabajo con las ONG/OCB, y capacidades del socio equilibradas y a la altura de la tarea. Sólo un tercio de los éxitos registrados se produjeron cuando todos estos tres factores determinantes no eran plenamente satisfactorios. Sólo 11% de los resultados satisfactorios muestran que dos de los tres factores eran imprecisos o débiles.

La asociación tiene un fin especial

La asociación depende de metas compartidas, el entendimiento adecuado de las funciones relativas, y la disponibilidad de capacidades y procedimientos para alcanzar metas. En la mitad de los proyectos evaluados los socios tenían objetivos divergentes, no entendían bien cómo trabajaba el otro, no compaginaban las capacidades con las funciones asignadas y no ajustaban sus

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modérément atteints : la participation des ONG/OCB a été jugée insatisfaisante dans 19 des 37 opérations évaluées et très satisfaisante dans six projets.

Les projets qui affichent des résultats relativement bons

sont souvent des projets récents (en préparation ou approuvés depuis 1995), ce qui donne à entendre que la collaboration s'améliore. Sur neuf projets récemment réalisés, six ont été jugés satisfaisants ou très satisfaisants lors de leur évaluation pour la présente étude.

La réussite tient à un ensemble de facteurs qui se renforcent mutuellement

Si l'on veut obtenir de bons résultats, il faut, semble-t-il, créer un environnement favorable aux ONG/OCB ; instaurer des relations de travail efficaces avec les ONG/OCB ; et faire en sorte que les moyens dont disposent les partenaires pour s'acquitter de leur tâche soient équivalents et équilibrés. Un tiers à peine des projets ayant donné de bons résultats ne réunissaient pas entièrement ces trois conditions. Les projets partiellement ou insuffisamment conformes à deux de ces critères n'ont donné de bons résultats que dans 11 % des cas.

Une approche au cas par cas

Qui dit collaboration dit poursuite des mêmes objectifs, bonne compréhension du rôle incombant à chacun et ajustement des moyens et procédures pour parvenir au but recherché. Dans la moitié des projets évalués, les partenaires avaient des objectifs différents, comprenaient mal comment travaillait l'autre, ne s'étaient pas donné les moyens de s'acquitter des tâches qui leur incombaient et n'avaient pas adapté leurs procédures administratives aux

E N G L I S H work allows NGOs/CBOs to form and associate freely, to act independently, and to be transparent and accountable. In half the cases assessed, NGOs/CBOs were operating in projects in an environment that was less than fully supportive.

Working relationships

Effective working relationships among partners were found in 16 of the 18 satisfactory projects. While administrative difficulties remain, the partners in these projects take a constructive approach to overcoming them. But all too often the Bank, borrowers, NGOs/CBOs, and cofinanciers fail to cooperate effectively and realize the opportunities that partnership presents. Project designs reflect low levels of information about government–NGO/CBO relations and their abilities to work together. In addition, the Bank and donors may follow independent paths regarding NGOs/CBOs, even in cofinanced projects. Without clear signs of basic agreement between partners in advance, effective collaboration is unlikely.

Lack of agreement on objectives and strategies translates into project designs that lack ownership: low levels of information result in lack of meaningful detail on how governments and NGOs/CBOs will engage each other. Promising that NGOs “will be involved,” as many appraisal documents do, without saying which NGOs, why, when, and how is simply unproductive. Even when agreements on working relationships are reached, the evidence suggests that many are poorly grounded or so prescriptive as to overwhelm the flexibility that

E S P A N O L procedimientos administrativos para atender a las necesidades de otros. Las evaluaciones realizadas por el DEO de proyectos individuales revelaron más sobre dificultades de procedimiento en establecer relaciones que sobre su eficacia para el desarrollo.

Un ambiente propicio

Un ambiente propicio para las actividades de las ONG/OCB es fundamental para el éxito del proyecto. Entraña el apoyo de los dirigentes del gobierno y, lo que es más importante, una disposición por parte de los directivos de organismos de ejecución del sector público a trabajar con ONG/OCB. Un marco jurídico favorable permite a las ONG/OCB establecerse y asociarse libremente, actuar con independencia y ser transparentes y responsables. En la mitad de los casos evaluados, las ONG/OCB estaban trabajando en los proyectos en condiciones menos que totalmente propicias.

Relaciones de trabajo

En 16 de los 18 proyectos clasificados como satisfactorios se comprobó la existencia de relaciones eficaces de trabajo entre los socios. Aunque todavía existen dificultades administrativas, los socios en estos proyectos han adoptado un criterio constructivo para superarlas. Pero con demasiada frecuencia, el Banco, los prestatarios, las ONG/OCB y los cofinanciantes no cooperan eficazmente y desperdician las oportunidades que ofrece la asociación. El diseño del proyecto refleja una información insuficiente sobre las relaciones entre el gobierno y las ONG/OCB y su capacidad de trabajar en colaboración. Además, el Banco y los donantes pueden seguir

F R A N C A I S besoins de leurs partenaires. L'évaluation par l'OED des différentes opérations fait davantage ressortir les difficultés rencontrées dans la dynamique relationnelle que l'efficacité des projets du point de vue du développement.

Un environnement porteur

Si l'on veut obtenir des résultats satisfaisants, il faut impérativement mettre en place un environnement favorable à l'action des ONG/OCB. Cela implique que l'on dispose de l'appui des dirigeants officiels et, plus important encore, que les responsables publics des organismes de tutelle veuillent collaborer avec les ONG/OCB. Un environnement porteur suppose l'existence d'un cadre juridique qui reconnaisse aux ONG/OCB le droit de se constituer et de s'associer librement et de fonctionner en toute indépendance, de manière transparente et responsable. Dans la moitié des cas examinés, les ONG/OCB opéraient dans un environnement moins que porteur.

Les relations de travail

Les relations de travail entre partenaires ont été jugées efficaces dans 16 des 18 projets notés satisfaisants. Bien que des difficultés d'ordre administratif subsistent, les parties prenantes à ces projets s'efforcent véritablement de les surmonter. Mais trop souvent, la Banque, les emprunteurs, les ONG/OCB et les cofinanciers ne savent pas coopérer efficacement et tirer parti des possibilités qu'offre la collaboration. La manière dont les projets sont conçus révèle une méconnaissance des relations entre les pouvoirs publics et les ONG/OCB et de leur aptitude à collaborer. En outre, la Banque et les bailleurs de fonds peuvent avoir des optiques différentes s'agissant des

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makes NGOs/CBOs attractive partners in the first place.

Adequate and balanced capacities

In most of the satisfactory projects assessed, the capacity of the partners to play their mutually supporting parts was both sufficient and balanced. In two of these cases, strong partner capacities overcame weaknesses in the enabling environment and poor working relationships among the partners. In all the unsatisfactory projects, at least two of the partners were weak and unable to play their roles.

Achievements are difficult to discern

Achievements attributable to NGOs/CBOs are evident in some projects, but in most they are difficult to discern. Too often NGO/CBO involvement is not clearly conceived during project design, involvement progresses slowly, and monitoring and evaluation (M&E) are either poorly designed or not done.

Cases where involvement may be disadvantageous

OED found three situations where involvement was potentially disadvantageous to NGOs. First, where procedures are ill-adapted to NGO capacities. Bank-supported projects may enable NGOs to expand the aggregate level of service they provide, but intermittent flows of funds stretch their financial resources and put the quality of service at risk. Second, NGOs are put at a disadvantage when project support for their involvement is not sustained during or after imple-

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caminos independientes de las ONG/OCB, incluso en proyectos cofinanciados. Si no existen señales evidentes de acuerdo básico por adelantado entre los socios, es poco probable que se lleve a cabo una colaboración efectiva.

La falta de acuerdo en objetivos y estrategias se refleja en diseños de proyectos con los que nadie se identifica: una información insuficiente da por resultado una falta de detalles significativos sobre cómo se relacionarán entre sí las ONG/OCB y el gobierno. Prometer que las ONG «participarán», como se hace en muchos documentos, sin decir qué ONG, por qué, cuándo y cómo, es, sencillamente, improductivo. Aun cuando se llega a acuerdos en cuanto a las relaciones de trabajo, las pruebas indican que muchos no están bien fundados o son tan preceptivos que frustran la flexibilidad, que es lo que, en definitiva, hace atractiva la asociación con las ONG/OCB.

Capacidades adecuadas y equilibradas

En la mayoría de los proyectos evaluados como satisfactorios, la capacidad de los socios de apoyarse mutuamente era suficiente y equilibrada. En dos de estos casos, la fortaleza de un socio superó las debilidades del ambiente y las relaciones deficientes de trabajo entre los socios. En todos los proyectos insatisfactorios, al menos dos de los socios eran débiles e incapaces de realizar su cometido.

Los éxitos son difíciles de discernir

Los éxitos atribuibles a las ONG/OCB son evidentes en algunos proyectos, pero en la mayoría de ellos son difíciles de discernir. Con demasiada frecuencia la participación de las

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ONG/OCB, même dans le cadre de projets faisant l'objet d'un cofinancement. En l'absence de signes forts montrant à l'avance qu'un accord de base existe entre les partenaires, la collaboration n'a guère de chance d'être efficace.

Lorsque les partenaires ne s'entendent pas sur les objectifs et les stratégies, la conception des projets ne favorise pas l'adhésion : faute d'informations suffisantes, on ne sait pas exactement comment les pouvoirs publics et les ONG/OCB travailleront ensemble. Il est parfaitement inutile de promettre, comme le font souvent les documents d'évaluation, que les ONG « participeront » si l'on n'indique pas de quelles ONG il s'agit, ni pourquoi, quand et comment elles participeront. Même si l'on parvient à s'entendre sur l'instauration de relations de travail, les faits portent à croire qu'elles sont souvent précaires ou à tel point codifiées qu'elles vont totalement à l'encontre de la souplesse qui fait l'attrait même des ONG/OCB au départ.

Une capacité suffisante et équilibrée

Dans la plupart des projets considérés comme satisfaisants, la capacité de chaque partenaire à tenir un rôle qui soutienne l'action des autres a été jugée suffisante et équilibrée. Dans deux cas, la solidité des capacités des différents partenaires a permis de compenser les lacunes de l'environnement existant et les dysfonctionnements de la relation de travail entre les partenaires. Tous les projets jugés insatisfaisants comptaient au moins deux partenaires aux capacités insuffisantes et donc incapables de tenir leur rôle.

Un impact difficile à cerner

Si la contribution des ONG/OCB à la réussite d'un projet est parfois

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mentation: planned levels of service may be reduced and NGOs may lose credibility with their clients. Third, NGOs may be negatively affected when Bank-supported projects impose unrealistically short timetables on processes such as scaling up of NGO activities or participatory work with communities.

Recommendations

Successful projects indicate that strong NGO/CBO involvement significantly contributes to project success, especially to providing benefits and opportunities for participation by the poor and marginalized. However, the record is very mixed: NGO/CBO involvement varies greatly in depth and quality and the Bank and borrowers give too little attention to factors critical to success, such as the environment for NGOs/CBOs, NGO capacity, and the use of appropriate business practices. NGO/CBO selection is often haphazard and based on a superficial knowledge of a country's civil society. As a result, opportunities to benefit the poor are missed. At the same time, expectations have been raised quite high and the Bank's credibility rests on translating the language of partnership with NGOs/CBOs into practice. Thus, the time is ripe for a more effective approach by the Bank and its partners to involve NGOs/CBOs in Bank-financed operations. Therefore OED recommends the following:⁷

Strategic partnerships. Develop strategic partnerships (both operational and advisory) with donors, foundations, and others with comparative advantage in knowl-

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ONG/OCB no está claramente definida en el diseño del proyecto, se desarrolla con lentitud y las actividades de seguimiento y evaluación están deficientemente diseñadas o no se llevan a cabo.

Casos en que la participación puede ser una desventaja

El DEO encontró tres situaciones en las que la participación podía ser desventajosa para las ONG. Primero, cuando los procedimientos no se adaptan bien a las capacidades de las ONG. Los proyectos respaldados por el Banco pueden permitir a las ONG ampliar el nivel agregado de servicios que prestan, pero los flujos intermitentes de fondos ponen a prueba sus recursos financieros y hacen peligrar la calidad del servicio. Segundo, las ONG están en desventaja cuando el apoyo de un proyecto a su participación no se mantiene durante la ejecución o después de ella; se puede reducir el nivel de servicios previsto y la ONG puede perder credibilidad con sus clientes. Tercero, las ONG pueden verse adversamente afectadas cuando en los proyectos respaldados por el Banco se imponen plazos excesivamente cortos para la conclusión de procesos tales como la disminución gradual de las actividades de las ONG o del trabajo en participación con las comunidades.

Recomendaciones

Los proyectos que dan buenos resultados indican que una fuerte participación de las ONG/OCB contribuye de manera significativa al éxito, sobre todo en lo que se refiere a brindar beneficios y oportunidades de participación a los pobres y a los marginados. Ahora bien, los resultados no han sido uniformes: la calidad y cantidad de la participación

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manifeste, elle est la plupart du temps difficile à reconnaître. Trop souvent, la participation des ONG/OCB n'est pas explicitée clairement au stade de la conception du projet, elle tarde à se mettre en place et, lorsqu'elle fait l'objet d'un suivi et d'une évaluation, ce qui n'est pas toujours le cas, les dispositions prévues à cet effet laissent à désirer.

Cas où la participation peut être préjudiciable

D'après l'OED, la participation des ONG peut être préjudiciable dans trois cas. Premièrement, lorsque les procédures ne sont pas adaptées aux capacités des ONG, le fait pour ces dernières de participer aux projets financés par la Banque peut leur permettre d'étendre leur offre globale de services, mais si les financements dont elles font l'objet leur parviennent de manière irrégulière, leur situation financière ainsi que la qualité de leurs services peut en pâtir. Deuxièmement, les ONG sont désavantagées lorsque les financements dont elles bénéficient pour participer au projet se tarissent durant ou après l'exécution : les services peuvent alors ne pas être à la hauteur des attentes et les ONG risquent de perdre leur crédibilité vis-à-vis des clients. Troisièmement, les ONG peuvent connaître des difficultés si la Banque, dans le cadre des projets qu'elle finance, leur impose un calendrier trop serré pour développer leurs activités ou leurs travaux participatifs avec les populations locales, par exemple.

Recommandations

À en juger par les projets qui donnent de bons résultats, les ONG/OCB qui participent de près aux opérations contribuent considérablement à leur réussite, en particulier en procurant

E N G L I S H edge and experience of working with NGOs.

Supportive environments. Help borrowers develop supportive environments for partnerships with NGOs and CBOs through receptive policy dialogue that is reflected in Country Assistance Strategies and by promoting a positive legal framework.⁸

Capacity building. Within specific country contexts, invest in building capacity for partnerships among Bank staff, borrowers, and NGOs/CBOs through training, information-sharing, effective recruitment of Bank staff with relevant skills and clarification of their roles, exploration of the use of adaptable lending instruments, and provision of untied resources for the institutional development of NGOs/CBOs.⁹

Participatory project preparation. When borrower partnerships with NGOs/CBOs are envisaged, help borrowers prepare projects in an inclusive and participatory manner by engaging relevant organizations early in the project design process, establishing a clear rationale for involving them, and reaching agreement early on the rules of partnership.

Flexible procedures. To ensure flexible project implementation, help borrowers and train Bank staff to employ fully the flexibility that exists in Bank procedures (such as for consultancy and procurement) with respect to working with NGOs/CBOs, further simplify business procedures without loss of transparency or accountability, and provide guidelines for reasonable overheads for contracts with NGOs.

E S P A N O L de las ONG/OCB varía mucho y tanto el Banco como los prestatarios dan muy poca atención a factores decisivos para el éxito tales como el ambiente que se ofrece a las ONG/OCB, la capacidad de las ONG y el uso de prácticas apropiadas de negocios. La selección de las ONG/OCB suele ser fortuita y estar basada en un conocimiento superficial de la sociedad civil de un país. En consecuencia, se pierden las oportunidades de beneficiar a los pobres. Al mismo tiempo, se han desbordado las expectativas y la credibilidad del Banco depende de que se realice lo que se ha afirmado acerca de la asociación con las ONG/OCB. Así pues, el momento es propicio para que el Banco y sus socios adopten un criterio más eficaz para la participación de las ONG/OCB en las operaciones financiadas por el Banco. Por consiguiente, el DEO recomienda lo siguiente⁷:

Asociaciones estratégicas. Establecer asociaciones estratégicas (tanto operacionales como consultivas) con los donantes, las fundaciones y otros con ventajas comparativas en conocimiento y experiencia en trabajos con ONG.

Ambientes propicios. Ayudar a los prestatarios a establecer ambientes propicios a la asociación con ONG y OCB mediante el establecimiento de diálogos receptivos sobre políticas que se reflejen en estrategias relativas a la asistencia a los países, y la promoción de un marco jurídico positivo⁸.

Fortalecimiento de la capacidad. Dentro del contexto específico de cada país, invertir en el fortalecimiento de capacidades para la asociación entre el personal del Banco, los prestatarios y las ONG/OCB, mediante la capacitación, el intercambio de información, el reclutamiento eficaz de

F R A N C A I S des avantages et des possibilités de participation aux pauvres et aux marginaux. Le bilan est cependant très mitigé : la participation des ONG/OCB est d'une ampleur et d'une qualité très variables, et la Banque et les emprunteurs accordent trop peu d'attention à certains facteurs critiques de succès, comme l'environnement dans lequel les ONG/OCB opèrent, les capacités des ONG et le recours à des pratiques commerciales appropriées. Les ONG/OCB sont souvent choisies au hasard, sans que cette décision soit fondée sur une connaissance approfondie de la société civile du pays considéré. De ce fait, on n'exploite pas toutes les possibilités qui s'offrent d'améliorer le sort des pauvres. Dans le même temps, on suscite des attentes excessives et on subordonne la crédibilité de la Banque à son aptitude à traduire dans les faits le discours qu'elle tient sur la collaboration avec les ONG/OCB. Il est donc temps pour la Banque et ses partenaires de s'employer plus efficacement à associer les ONG/OCB aux opérations financées par l'institution. À cet effet, voici ce que recommande l'OECD⁷ :

Partenariats stratégiques. Il s'agit d'établir des partenariats stratégiques (dans le cadre d'opérations ou d'activités de conseil) avec des bailleurs de fonds, fondations et autres entités qui, du fait de leurs connaissances ou de leur expérience, disposent d'un avantage comparatif en matière de collaboration avec les ONG.

Un environnement porteur. Il faut aider les emprunteurs à créer un environnement qui se prête à l'établissement de partenariats avec des ONG et des OCB en ayant un dialogue ouvert avec les autorités sur les mesures à prendre, en intégrant ces données dans les Stratégies

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Financial flows. Help borrowers design, apply, and monitor simple and accountable mechanisms for the transfer of funds to NGOs/CBOs and help borrowers explore the efficient use of

private sector and nongovernmental intermediaries to wholesale project funds to those organizations.

Bank-wide monitoring of NGO involvement. Develop a new Bank-wide monitoring system (or database) for NGO/CBO involvement that compiles reliable country data on actions planned, actions taken, resources applied, and results achieved.

Monitoring and evaluation. Together with borrowers, develop simple, low-cost monitoring systems that provide appropriate incentives for monitoring, make evaluations of partnership activities joint exercises, seek to capture beneficiary views routinely in monitoring and evaluation (M&E), and disseminate good M&E practice.

Funding of NGOs. Develop more reliable knowledge of funding for NGOs/CBOs.

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personal del Banco con conocimientos pertinentes y una idea clara de sus funciones, el estudio del uso de instrumentos de crédito adaptables y la provisión de recursos no condicionados

para el desarrollo institucional de las ONG/OCB⁹.

Preparación del proyecto participatorio. Cuando se prevé una asociación del prestatario con ONG/OCB, se le debe ayudar a preparar proyectos inclusivos o participatorios, para lo que se asegurará la participación de las organizaciones pertinentes al comienzo del proceso de diseño del proyecto, la formulación de razones lógicas que justifiquen esta participación y la concertación de un acuerdo temprano sobre las reglas de la asociación.

Procedimientos flexibles. Para garantizar la ejecución flexible del proyecto, se debe ayudar a los prestatarios y capacitar al personal del Banco a hacer pleno uso de la flexibilidad de los procedimientos que existen en el Banco (por ejemplo, para consultoría y adquisiciones) con respecto a la colaboración con ONG/OCB, simplificar más los procedimientos de las empresas sin que pierdan transparencia o responsabilidad y ofrecer directrices sobre gastos generales razonables para los contratos con ONG.

Flujos de fondos. Ayudar a los prestatarios a elaborar, aplicar y vigilar mecanismos sencillos y fiables para la transferencia de fondos a las ONG/OCB y a estudiar el uso eficaz de intermediarios no gubernamentales y del sector privado a fin de prestar fondos para proyectos a esas organizaciones.

Seguimiento a nivel de todo el Banco de la participación de las ONG. Elaborar un nuevo sistema de

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d'assistance aux pays et en encourageant la mise en place d'un cadre juridique favorable⁸.

Renforcer les capacités.

Compte tenu de la situation propre à chaque pays, il convient d'investir dans le

renforcement des capacités de collaboration des services de la Banque, des emprunteurs et des ONG/OCB par divers moyens : formation, échange d'informations, recrutement d'agents présentant les compétences requises, clarification du rôle qui leur échoit, recours aux instruments de prêt évolutifs et affectation de ressources non liées au renforcement institutionnel des ONG/OCB⁹.

Préparation participative des projets. Lorsqu'une collaboration entre emprunteurs et ONG/OCB est envisagée, il convient d'aider les emprunteurs à jouer la carte de l'ouverture et de la participation dans la préparation des projets, en associant, dès le départ, les organisations intéressées à la conception du projet, en établissant clairement les raisons justifiant leur participation et en s'entendant au départ sur les règles devant régir cette collaboration.

Assouplir les procédures. Si l'on veut assurer une certaine souplesse à l'exécution des projets, il faut aider les emprunteurs et apprendre aux agents de la Banque à exploiter pleinement, dans le cadre de leur collaboration avec les ONG/OCB, la flexibilité qu'offrent déjà les procédures de l'institution (notamment en matière de services de consultants et de passation des marchés), à simplifier davantage les procédures commerciales sans que la transparence ou la prise de responsabilité en pâtissent, et à définir des critères pour déterminer le montant raisonnable des frais généraux afférents aux contrats

ESPANOL seguimiento (o base de datos), a nivel de todo el Banco, de la participación de las ONG/OCB, que compile datos fiables sobre el país en relación con las actividades proyectadas y adoptadas, los recursos

utilizados y los resultados conseguidos.

Seguimiento y evaluación.

Elaborar conjuntamente con los prestatarios sistemas de seguimiento sencillos y de bajo costo que ofrezcan incentivos apropiados para seguir de cerca y evaluar ejercicios conjuntos de actividades realizadas en asociación, tratar de incluir con regularidad los puntos de vista de los beneficiarios en las actividades de seguimiento y evaluación, y difundir buenas prácticas de seguimiento y evaluación.

Financiamiento de las ONG.

Adquirir un conocimiento más fiable del financiamiento de las ONG/OCB.

FRANCAIS passés avec des ONG.

Flux financiers. Il s'agit d'aider les emprunteurs à concevoir et mettre en place des mécanismes simples et vérifiables de transfert de fonds aux ONG/OCB, à en suivre le

fonctionnement et à trouver le moyen d'utiliser efficacement les intermédiaires privés et non gouvernementaux pour procurer en gros à ces organisations des ressources destinées au financement de projets.

Suivi de la participation des ONG à l'échelle de la Banque. Il faut mettre en place, à l'échelle de la Banque, un nouveau système de suivi (ou base de données) sur la participation des ONG/OCB qui contienne des données fiables sur les actions prévues, les mesures prises, les ressources affectées et les résultats obtenus par chaque pays.

Suivi et évaluation. Il s'agit de mettre au point, avec les emprunteurs, des systèmes de suivi simples et peu coûteux qui permettent d'encourager de manière appropriée les activités de suivi, d'évaluer conjointement les actions entreprises en collaboration, de sonder régulièrement l'opinion des bénéficiaires sur les activités de suivi et d'évaluation et de faire connaître ce qui se fait de mieux dans ce domaine.

Financement des ONG. Il faut améliorer les connaissances sur le financement des ONG/OCB.

ABBREVIATIONS AND ACRONYMS

| | | |
|--------|---|--|
| AKRSP | - | The Aga Khan Rural Support Program |
| CBO | - | Community-based organization |
| DAC | - | Development Assistance Committee |
| DANIDA | - | Danish Cooperation Agency |
| DFID | - | Department for International Development (UK) |
| GTZ | - | Gesellschaft für Technische Zusammenarbeit (Germany) |
| IBRD | - | International Bank for Reconstruction and Development |
| IDA | - | International Development Association |
| IFFI | - | Instituto de Formación Feminina Integral |
| IWDP | - | Integrated Watershed Development Program |
| M&E | - | Monitoring and Evaluation |
| NGO | - | Nongovernmental Organization |
| NGOWG | - | NGO Working Group on the World Bank |
| NRDP | - | Northeast Rural Development Program |
| OD | - | Operational Directive |
| OECD | - | Organization for Economic Cooperation and Development |
| OED | - | Operations Evaluation Department |
| PAD | - | Project Appraisal Document |
| PGRN | - | Natural Resource Management (Mali) |
| PREM | - | People's Rural Education Movement (India) |
| PMU | - | Project Management Unit |
| PSPHR | - | Second Health, Population, and Rural Water Supply Project (Mali) |
| SAR | - | Staff Appraisal Report |
| SCF | - | Save the Children Fund |
| STD | - | Sexually transmitted disease |
| T&V | - | Training and visit |
| UP | - | Uttar Pradesh |
| USAID | - | United States Agency for International Development |



Introduction

Nongovernmental organizations (NGOs) include a wide variety of groups. Definitions vary, but NGOs typically are entities that are entirely or largely independent of government and have humanitarian or cooperative rather than commercial objectives. The Bank's 1989 Operational Directive¹ defines them as private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development.²

Two subsets of NGOs are particularly important in Bank-supported projects: national or international NGOs that often act as intermediaries to support work at the grassroots, and organizations of individuals within a community. While NGOs aim to serve others, community-based organizations (CBOs) exist to serve their members. In Bank-supported projects, NGOs are most likely to be contracted to help design projects, deliver services, or conduct research or training. CBOs, which are likely to include groups of project beneficiaries, are consulted to ensure that beneficiaries' interests are reflected in project designs. CBOs undertake community-level works and become responsible for the ongoing operation and maintenance of such works.³ This report maintains throughout the distinction between NGOs (intermediary organizations) and CBOs (local membership organizations).

NGOs are important to the Bank because of the experience and resources they bring to emergency relief and development activities. The Bank's 1989 Operational Directive 14.70 (OD) describes the perceived strengths and weaknesses of NGOs and CBOs and encourages Bank staff to involve those organizations in Bank-supported

activities within the framework of the borrower government's policies. The OD identifies NGOs' potential strengths as their ability to reach poor communities and remote areas, promote local participation, operate at low cost, identify local needs, build on local resources, and introduce new technologies. The directive refers to NGO weaknesses such as their limited replicability, self-sustainability, and managerial and technical capacity, a narrow context for programming, and politicization. In practice, NGOs/CBOs are diverse, their performance is variable, and their readiness to engage with governments and the Bank cannot be taken for granted.

NGOs and CBOs strongly contribute to participatory development processes.

NGOs and CBOs are considered important contributors to participatory development processes. The Bank defines participation as a process through which stakeholders influence and share control over development initiatives and the decisions and resources affect-

ing them.⁴ Participation is a key to more inclusive partnerships, where actors in development play their respective and complementary parts, leveraging the entire development effort.⁵ While governments are the Bank's primary clients, NGOs and CBOs, as parts of civil society, are among the Bank's potential development partners.

NGOs and the Evaluation Literature

There is a growing evaluative literature on NGOs and their contribution to development effectiveness. Some

“Building confidence and capacity at the grassroots can bring remarkable results.”

of the most pertinent evaluative findings have originated with NGOs themselves, such as Oxfam and The Save the Children Fund/UK (SCF).⁶ Sectorally focused findings have been presented by research institutes⁷ and NGO specialists.⁸ The role and performance of intermediary

NGOs have been assessed,⁹ as have some aspects of World Bank involvement with NGOs.¹⁰

SCF undertook a study of two NGOs in India—the People's Rural Education Movement (PREM) in Orissa and Urmul Seemant in Rajasthan—and two SCF projects in Bangladesh (the Shariatpur Project and the River Project in Jamalpur and Gaibandha) to identify the factors underlying their impact, sustainability, and cost-effectiveness, as well as to help the staff of these NGOs to reflect on its work. The study measured the

ability of the agencies involved to make sustained improvements in capacities and livelihoods among poor people. It found that the patterns of impact, sustainability, and cost-effectiveness for the four agencies ranged from very high to low. The author concludes that there are several explanations for this variation. One is that it is necessary to obtain a balance between material and social/organizational development and maintain it over time. The success of PREM is an example (see Box 1.1). Another, which could easily apply to the World Bank, is the value of attention to the basics — that is, investment in the right people, good communications, closeness to the grassroots, strong local institutions, an inspirational but not overbearing leadership, and participatory planning and management. For example, the author notes that “building confidence and capacity at the grassroots can bring remarkable results: in Orissa the rate of graduation of autonomous grassroots organizations is the key to a strategy which has achieved a very large impact at very low cost.”¹¹

In a detailed study of the way in which changing NGO-state-donor relationships are affecting the work of NGOs in development,¹² Hulme and Edwards note that:

Any problems which do arise when NGOs and GROs [grassroots organizations] get closer to states and donors can be managed in such a way as to take advantage of the opportunities provided by collaboration, while minimizing the threats. As the chapters by Bosch [see Box 1.2], Mawer and others

BOX 1.1: PEOPLE'S RURAL EDUCATION MOVEMENT (PREM): LINKING LONG-TERM SOCIAL ORGANIZATION AND SHORT-TERM SERVICE DELIVERY

In the State of Orissa in India, PREM has combined awareness-raising and social organization with service-delivery and material assistance in such a way as to lead to significant improvements in access to

health, education, credit and agricultural services *at the same time* as the emergence of a strong federation of people's organizations able to manage their own development initiatives and fight for their rights. The activities of the Federation now cover at least

840,000 people in over 5,300 villages. This seems to have been achieved without any loss in quality in the services provided. An evaluation by PREM showed that five years in one of their non-formal education centers had the same impact on

literacy and numeracy as five years in a government school, while simultaneously providing a more relevant curriculum appreciated by pupils, teachers, and parents.

Source: Extracted from Edwards 1996.

BOX 1.2: CENDHEC AND THE COMMUNITY OF BRASÍLIA TEIMOSA

In the northeastern city of Recife (Brazil), CENDHEC, an NGO, set up an education project in 1993 to support a low-income community called Brasília Teimosa in its demands for the right to community-run education programs. State schools initially feared

control by the community, but gradually the different actors came together. At the beginning of 1994, a team of headmasters, teachers, members of the residents council, and student guilds formed a permanent committee that gradually took over responsibility for negotiating with the Education

Department and for monitoring the work, becoming less dependent on CENDHEC in the process. Now the community “takes responsibility for demanding . . . [its] rights, and learning to make legal means available.”

CENDHEC deliberately intervenes at

different levels with communities, education and health departments, and the public in general to take advantage of existing synergies. Linkages like these, argues the author, provide effective channels for NGO action in Brazil.

Source: Bosch 1977.

in this volume show . . . different actors can work together successfully when certain conditions are satisfied. Chief among these conditions are a favourable national context (for NGO/GRO activity); good-quality and long-established relationships between governments, NGOs and donors (flexible rather than instrumental); and NGOs/GROs which are strong and independent . . . Nevertheless, it must be recognized that in the real world of international aid and national development, such conditions are rare.¹³

In another recent work whose aim was to challenge the popular image of NGOs and to stimulate a more critical assessment of their actions, the experience of the Bangladeshi NGO Proshika is used as an example of NGO strengths.¹⁴ Proshika’s activities seek to help people gain access to public resources, services, and institutions, enabling them to become self-reliant. Facilitating peoples’ organizations is at its core. The organization’s participatory planning process begins with a local plan at the grassroots level, that plan is then integrated into plans at the next higher level, and so forth. All planning is assisted by a management information system. A recent impact assessment study by Proshika in collaboration with a Canadian organization shows that group members’ savings have increased substantially, that members are gaining greater access to local government and local institutions, and that

over 90 percent of women interviewed reported less abuse and oppression. The author concludes that Proshika’s “management style will likely enable it to adjust to change without losing its basic vision or reducing its effectiveness.”¹⁵

The World Bank has also undertaken a number of studies on NGOs. Among these, a 1991 assessment reviewed the nature and scope of NGO involvement in 24 Bank-supported projects in five regions.¹⁶ The review highlights the benefits and the pitfalls of working with NGOs and concludes that “NGOs have contributed positively to Bank projects by facilitating beneficiaries’ participation, by highlighting environmental issues, and by assisting in the delivery of services to low-income groups.”¹⁷ It also emphasizes that Bank-NGO collaboration “must be informed by a balanced assessment of the strengths and weaknesses of NGOs.” Recommendations for improving the scope and quality of this collaboration include: fostering understanding of the strengths and weaknesses of the Bank and NGOs; increasing Bank staff training; involving NGOs earlier in the project cycle; developing creative financing mechanisms; learning from NGO involvement in projects, and providing institutional assistance to both NGOs and governments to better enable each to deal with the other for development ends. In the same review, a chapter on “Recent Experiences and Emerging Trends” notes the great scope for further expansion of

NGO impact is difficult to assess.

Bank-NGO cooperation, but cautions that with a rapid pace come “risks of superficiality or clumsiness, and insensitive World Bank attention to NGOs could, in some situations, do more harm than good. Thus, the Bank [is stressing] . . . the quality of NGO involvement.”¹⁸

In 1996, at the request of the Aga Khan Foundation and its co-donors, OED evaluated the Aga Khan Rural Support Program (AKRSP) in Pakistan. OED had undertaken an earlier evaluation in 1989 and found that the AKRSP had continued its core activities while expanding the area covered, and that achievements were substantial (see Box 1.3). The 1996 evaluation produced some useful lessons for the Bank:

- Many of the Bank’s rural development projects failed because they were too complex for the public agencies that managed them. The AKRSP’s experience shows that multicomponent projects can be made to work, with synergy among their components, if the institutional structure is appropriate.
- The AKRSP’s flexibility and grassroots emphasis greatly contributed to the program’s success. The Bank should work with experienced, reputable NGOs or other specialized entities that can channel communities’ potential for self-help into productive endeavors and sustainable institutions.
- NGO participation should become integral to the rural development projects the Bank finances. If client countries are unwilling to use

borrowed funds to support NGOs, then the Bank should collaborate with donors to obtain grant support for this purpose.

- Institution building through ownership can be used as a starting point for development. By involving the beneficiaries in every stage of their development, a foundation and relationship can be built for the future.

The most recent overview of NGO performance is provided by the 1997 report of the OECD/DAC Expert Group on Aid Evaluation.¹⁹ That report concludes that NGO impact is difficult to assess because most assessments, lacking adequate baseline data and monitoring, rely on qualitative data and judgments, have been undertaken rapidly, and have focused on project outputs. Despite these limitations, the OECD/DAC study found that while 90 percent or more of NGO projects had achieved their immediate objectives, their impact on poverty reduction was highly variable. Significantly, “the study warns that impact data run the risk of being misused and having the perverse, if unintended effect of down-playing NGOs’ apparent strengths.” It recommends that donors and NGOs “together . . . examine this issue in some depth, not only in order to unravel competing claims and assertions, but in order to help expand the common ground between donors and NGOs and to reduce potential conflict.”²⁰

Most NGO projects assessed in reports reviewed

BOX 1.3: THE AGA KHAN RURAL SUPPORT PROGRAM IN PAKISTAN

The AKRSP has made a substantial development impact in a very difficult environment. It has not tried to maintain an enclave approach but has progressively integrated its activities into the overall development process, with

government and other investors. This approach, and the principle of insisting on developing a self-help capacity within cooperating communities, augur well for the sustainability of its benefits.

Debate continues on the extent to which the AKRSP is replicable. It is

unlikely that the experience can (or should) be transferable in every detail, but there is little doubt that the principles of the AKRSP are widely applicable. Indeed, the AKRSP methods are being actively used in other programs within and beyond Pakistan, supported by the Aga

Khan Foundation, the World Bank, the Asian Development Bank, the United Nations Food and Agriculture Organization, and the United Nations Development Programme, if not always with the same degree of success as the AKRSP.

Source: World Bank 1996d.

by the OECD/DAC were not financially sustainable and the prospects for many were poor. Data were insufficient to assess cost-effectiveness reliably, but a number of studies argue that benefits exceeded costs. Some NGOs were shown to be innovative and flexible, most often when they interacted closely with beneficiaries and based their actions on long-term and detailed research. The factors contributing most often to successful achievement of objectives were the NGOs' external links to the wider environment, use of competent staff, and responsiveness to local needs.

What OED's Study Set Out to Do

OED sought to assess the contribution NGOs and CBOs make to Bank-supported investment projects.²¹ The growing frequency of participation and importance of NGOs and CBOs in Bank-supported projects have been well documented in annual progress reports prepared by the Bank's NGO Unit.²² OED set out to determine if NGO involvement increased the effectiveness of Bank-supported projects. Following a review of the literature, four related questions were posed about Bank-supported projects:

- Does NGO or CBO involvement raise development effectiveness?
- If it does, how is this achieved and what should be done to strengthen performance?
- If it does not, what constrains performance and how can the constraints be relieved?
- Are there circumstances under which the Bank should not seek NGO or CBO involvement because it is likely to be ineffective or counter-productive?

To answer these questions, the study hypothesized that the effectiveness of NGOs in Bank-supported projects is determined by the environment for NGO/CBO action; the relationships between governments, NGOs, CBOs, and the Bank; and the capacities of NGOs and CBOs to make timely decisions about policies, priorities, and resource allocation in their dealings with their financiers, operating partners, and clients.²³

The four questions are addressed in two ways. First, aggregate data on NGO/CBO involvement in completed and active Bank-supported projects and project performance data are used to assess the relationship between involvement and overall project

outcome. Second, NGO/CBO involvement in 37 projects in five countries (Bolivia, Brazil, India, Kenya, and Mali) is examined in detail.²⁴

Assessing individual projects included field visits to project sites and discussions with project managers and staff in government, NGOs, CBOs, and the Bank, including headquarters and the field. The study set out to assess the contributions of NGOs/CBOs by comparing projects with provision for those organizations and projects without it. This approach proved difficult to apply. Many projects with substantive NGO or CBO involvement were either too recent or too different in timing, approach, or structure to have clear comparators. The study approach was therefore modified to assess what NGO/CBO involvement was intended, what was actually achieved, and what the NGOs/CBOs contributed. Where comparisons with and without NGOs or CBOs were feasible, they were made for projects or relevant project components.

The study design paper draft was discussed with the NGO-World Bank Committee to elicit the views and comments of its NGO and Bank members. The Steering Committee of the NGO-World Bank Committee was kept aware of study progress. Numerous NGOs and foundations were consulted by OED while completing the field studies; a list of those consulted in the field is attached as Annex B. For two projects in Kenya, the views of beneficiaries were gathered for OED by a third-party NGO through interviews and focus group discussions.²⁵ To assess Bank financial support for NGOs/CBOs, OED canvassed the Bank task managers of 194 projects in seven countries where provision for NGO/CBO involvement was high (Bolivia, Brazil, India, Kenya, and Mali, plus Indonesia and the Philippines).

Report Structure

The report has six chapters. Following this introduction, chapter two reports on aggregate-level findings about the relationships between provision for NGO or CBO involvement and project performance, and IBRD/IDA funding for NGOs/CBOs; chapter three reports the field-based findings of the case studies; chapter four summarizes the factors that foster or hinder NGO or CBO involvement; chapter five contains the study's conclusions; and chapter six contains recommendations for more effective partnerships with NGOs/CBOs.

The report addresses only one part of the Bank's

evolving relationship with NGOs and CBOs through governments: the consequences of NGOs and CBOs in investment projects. The scope of the study is limited, and findings derived from the case studies are indicative of the nature of that relationship, not necessarily comprehensive. NGO contributions to policy development and to economic and sector work are not addressed. Bank relationships with its partners are

changing quickly and the recent past may be a poor indicator of the immediate future, let alone the long-run prospects. Despite this, the study finds that NGOs and CBOs can contribute substantively to development effectiveness in Bank-supported projects, and explains why these contributions are large in some cases and modest in others.



Aggregate Findings

Progress on NGO and CBO involvement in Bank-supported projects has been reported annually since 1983. These reports draw on a database maintained by the Bank's NGO Unit.¹ The database is constructed from an annual review of appraisal documents—Staff Appraisal Reports (SARs) and Project Appraisal Documents (PADs)—in which the Bank assesses project feasibility before approval. Because SARs and PADs are finalized *before* projects are implemented, their content concerns intentions, not results. The

database reports actual involvement of NGOs and CBOs up to project appraisal, and *provision for* involvement during implementation. This distinction is important because NGO/CBO involvement during project design may not translate into involvement in implementation, and plans for NGO/CBO involvement in implementation made before approval may not be realized.

Between FY73 and FY97, provision was made for involvement of NGOs/CBOs in 954 Bank-supported projects. This represents 17 percent of all projects approved over a 25-year period (5,666 projects). The proportion of Bank-supported projects approved with provision for NGOs/CBOs has increased dramatically in recent years, from 20 percent in 1989 (when OD 14.70 was adopted) to 46 percent in 1997. Overall, 38 percent of projects in the Bank's active portfolio make some provision for NGO/CBO involvement.

Such provision is in accordance with the perceived comparative advantage of NGOs/CBOs. Of the 5,666 projects approved between FY73 and FY97, 3,641 indicate their primary program objective. Among these, provision for NGO/CBO involvement was highest in projects to improve gender equality (80 percent),

improve the environment (54 percent), and reduce poverty (48 percent). In short, NGOs/CBOs are involved in Bank-supported projects in accordance with the priorities of OD 14.70.

Regionally, provision for NGO/CBO involvement is highest where poverty is greatest: in Bank-supported projects in Africa (22 percent of all projects approved between FY73 and FY97), followed by South Asia (17 percent), and Latin America and the Caribbean (17 percent). It was lowest in Europe and Central Asia (14 percent) and Middle East and North Africa (9 percent).

Sectorally, provision for NGO/CBO involvement is numerically most frequent in agriculture (318 projects), followed by population, health, and nutrition (133 projects)² and education (102 projects). Proportionately, however, provision for NGO/CBO involvement is highest in the social sector, which includes emergency social funds and social investment funds (82 percent), health (57 percent), and the environment (54 percent).

**Provision for
NGOs/CBOs has
increased
dramatically in
recent years.**

Since 1973 provision for national NGOs has been most common (64 percent of those projects with provision for NGO/CBO involvement), followed by CBOs (49 percent), and international NGOs (28 percent). For FY97, in projects with provision for NGOs/CBOs, national NGOs were to be involved in 73 percent, CBOs in 71 percent, and international NGOs in 23 percent.

The most commonly cited reasons for involving NGOs/CBOs in projects are to enhance beneficiary participation (60 percent of projects with provision for NGOs/CBOs since FY73 and 72 percent in FY95–97) and to capture expertise (56 percent of projects since FY73 and 64 percent in FY95–97). Surprisingly, innovation and flexibility—commonly cited as NGO strengths—are not commonly cited as reasons for involving NGOs/CBOs in Bank-supported projects (9 percent in FY95–97), nor is cost-effectiveness (9 percent in FY95–97).

The countries where provision for involvement of NGOs/CBOs in Bank-supported projects in appraisal documents is greatest are listed in Table 2.1.

NGO and CBO Involvement and the Performance of Completed Projects

Two-thirds of all projects approved since FY73, some 3,793 projects, have been completed and reviewed or audited by OED. Seven percent of these projects (263 projects) made some provision for NGO/CBO involvement, representing 28 percent of all projects with some provision for NGO/CBO involvement. OED undertook a comparative analysis of this cohort to determine the projects' performance results. This was done for OED's three main performance indicators—project outcome, sustainability, and institutional development impact—as well as by region and sector. Overall, OED found little difference in performance between projects *with* provision for NGO/CBO involvement and those *without* it. Detailed results of this analysis are presented in Annex D.

It is important to interpret these aggregate data with caution and to recognize the four important factors that may explain the lack of a significant difference in performance. First, the basis for such analysis is weak; a cohort of projects with intentions to involve NGOs/CBOs is being compared against their actual performance without knowing whether the involvement occurred as planned. In addition, the term “involvement” is interpreted broadly in project documents. Second, 80 percent of the completed projects

(210 of 263) for which performance evaluations exist predate OD 14.70, and completed projects are less likely to have a meaningful emphasis on participation than active projects.³ Third, the level of NGO/CBO involvement in most projects is small or is limited to specific components, making a large effect on outcome unlikely.⁴ Fourth, projects that provide for NGO/CBO involvement are riskier than those without it, because they seek to include partners who are unfamiliar with the Bank and involve more complex aspects of social and institutional development than earlier projects. Thus, the results of this exercise point to the inadequacy of the current project monitoring system rather than to the quality and results of NGO/CBO involvement in Bank-supported projects.

NGO and CBO Involvement and Aggregate Performance of Active Projects

Of the 1,823 projects under implementation at the end of 1997, 689 included provision for involvement of NGOs or CBOs (38 percent) at appraisal. Using the Bank's Annual Reviews of Project Performance for 1995, 1996, and 1997 (derived from Bank supervision report ratings), the performance of active projects with and without provision for NGO/CBO involvement was

TABLE 2.1: PROJECTS WITH PROVISION FOR NGO/CBO INVOLVEMENT BY COUNTRY (FY73 TO FY97)

| | Number | Percentage |
|------------------|--------|------------|
| India (*) (**) | 73 | 24 |
| Indonesia (**) | 50 | 21 |
| Brazil (*) (**) | 37 | 20 |
| China | 25 | 14 |
| Kenya (*) (**) | 24 | 24 |
| Philippines (**) | 23 | 18 |
| Pakistan | 22 | 16 |
| Bangladesh | 22 | 17 |
| Ghana | 21 | 24 |
| Mexico | 18 | 14 |
| Senegal | 16 | 21 |
| Congo Dem. Rep. | 16 | 29 |
| Uganda | 15 | 28 |
| Malawi | 15 | 24 |
| Cameroon | 15 | 27 |
| Bolivia (*) (**) | 15 | 26 |
| Mali (*) (**) | 14 | 26 |
| Madagascar | 14 | 22 |
| Burkina Faso | 14 | 33 |

* Case study countries.

** Countries in which Bank funding for NGOs and CBOs was studied.

Source: World Bank data.

assessed. The results (see Annex D) show no significant difference in meeting development objectives or in making progress in implementation.⁵

IBRD and IDA Funding of Projects with Provision for NGOs and CBOs

There is no ready source of current or historical data on funding for NGOs and CBOs in Bank-supported projects.⁶ As part of this study and in preparation for its case studies, OED surveyed Bank task managers responsible for all projects with provision for NGO/CBO involvement approved between FY85 and FY97 in seven key countries (Bolivia, Brazil, Indonesia, India, Kenya, Mali, and the Philippines). The survey addressed 194 projects, representing 24 percent of all Bank-supported projects with provision for NGO or CBO involvement approved in the past 13 fiscal years.⁷ Fifty-five percent of the task managers polled gave usable responses, providing funding data for NGO/CBO involvement in 107 projects.

For the countries surveyed, 72 percent of projects sought to provide financial support for NGOs/CBOs at project approval; 28 percent of projects sought NGO/CBO involvement without making provision to support them financially. Of the projects that sought to support NGOs/CBOs financially, 80 percent identified at approval how much funding would be available.

The total amount of funding identified at approval for use by NGOs/CBOs in these seven countries over 13 fiscal years was \$1.3 billion. Of this, 68 percent (\$894 million) originated with IBRD and IDA, and 32 percent (\$421 million) with borrowers, cofinanciers, and beneficiaries.⁸ The survey showed that 84 percent of IBRD and IDA funding allocated for NGOs and CBOs was actually disbursed (\$751 million).

Eighty percent of the IBRD/IDA funds identified is allocated for work with CBOs (\$715 million), 5 percent with indigenous NGOs (\$45 million), and only 1 percent with international NGOs (\$9.0 million). The balance (\$125 million) is allocated for work through other civil society organizations, such as cooperatives.

Funds for use by NGOs or CBOs are most often expected to be used during implementation for provision of goods or services (94 percent of projects) or training (47 percent of projects). Provision of financial support during project preparation is far less common (17 percent of projects) than for implementation. Funds are most often in the form of grants (58 percent of projects) and contracts (54 percent of projects).⁹

Two-thirds of the task managers surveyed said that mechanisms for channeling Bank funds to NGOs and CBOs were adequate; one-third said they were not. Most task managers suggested that funding channels could be improved, and more than 90 percent made specific recommendations. Most often they recommended that borrower procedures for channeling funds to NGOs and CBOs be simplified (60 percent) and that NGO and CBO capacities for managing and accounting for funds be strengthened (59 percent). Forty-three percent of task managers recommended that Bank disbursement procedures be simplified, and 29 percent indicated that improvement was most likely to be found in the use of grant funds from partners.

There is no ready source of current or historical data on funding for NGOs and CBOs in Bank-supported projects.



Field-Based Findings

OED assessed in-depth 37 projects or major project components in five countries: Bolivia, Brazil, India, Kenya, and Mali. A list of projects assessed and a summary of main findings is in Annex C. These countries were chosen in late 1996 following a review of the 24 countries with 10 or more projects with provision for NGO/CBO involvement identified in the Bank's NGO database. The original intent was to include six countries, two each in Africa, Latin America, and Asia, where the environments for NGOs and CBOs were expected to vary

(from more favorable to less favorable) and which provided broad coverage across several sectors where sufficient time had elapsed for the effects of NGO/CBO involvement to have become evident.¹ The number of countries assessed was later reduced to five (see Table 3.1).²

Following country selection, the projects to be assessed in-depth were chosen. This step followed a review of Bank documents and discussions with Bank task managers. When the selection was made, these 37 projects represented 27 percent of all projects with provision for NGO/CBO involvement in the case study

countries and about 6 percent of all projects approved with provision for NGO or CBO involvement. The findings of individual project assessments, therefore, can only be indicative.

For each project assessed, three questions were asked. First, what NGO or CBO involvement was intended? Second, what NGO or CBO involvement actually took place? Third, what resulted from NGO or CBO involvement? The responses to these questions, detailed in available background papers and summarized in Annex C, indicate that some NGOs and CBOs are making valuable contributions to Bank-supported

TABLE 3.1: THE DISTRIBUTION OF ASSESSMENTS BY COUNTRY AND SUBSECTOR

| | Bolivia | Brazil | Kenya | Mali | India | Total |
|-----------------------------------|-----------|----------|----------|----------|----------|-----------|
| Emergency | | | 1 | | | 1 |
| Agriculture and rural development | 3 | 2 | 2 | 1 | | 8 |
| Environment and natural resources | 2 | 1 | 1 | 1 | 3 | 8 |
| Education and child development | 2 | | 1 | 1 | | 4 |
| Population, health, and nutrition | 1 | 1 | 3 | 1 | 3 | 9 |
| Social funds (4 projects jointly) | 1 | | | | | 1 |
| Public works | | | | 1 | | 1 |
| Water supply and sanitation | 1 | | | 2 | 2 | 5 |
| Total | 10 | 4 | 8 | 7 | 8 | 37 |

Source: OED data.

TABLE 3.2: FINDINGS ABOUT DETERMINANTS AND OUTCOMES OF NGO/CBO INVOLVEMENT—ESTABLISHED PROJECTS

| Project | Environment | Relationships Between Actors | Balance of Capacities | NGO/CBO Activity Outcome |
|--|--------------|------------------------------|-----------------------|--------------------------|
| Brazil | | | | |
| AIDS/STD Control | Supportive | Strong | Strong | Satisfactory + |
| Northeast Rural Development: State of Rio Grande do Norte | Supportive | Strong | Strong | Satisfactory + |
| Northeast Rural Development: State of Pernambuco | Unsupportive | Weak | Weak | Unsatisfactory |
| Bolivia | | | | |
| Eastern Lowlands Natural Resource Management and Agricultural Production Biodiversity Conservation (Global Environment Facility) | Unsupportive | Weak | Weak | Unsatisfactory |
| Education Reform | Supportive | Strong | Mixed | Satisfactory |
| Integrated Child Development (PIDI) | Mixed | Weak | Weak | Unsatisfactory |
| Emergency Social Funds and Social Investment Funds | Supportive | Strong | Strong | Satisfactory |
| Environmental Technical Assistance | Supportive | Strong | Mixed | Satisfactory |
| Integrated Health Development (PROISS) | Supportive | Weak | Mixed | Unsatisfactory |
| | Mixed | Mixed | Strong | Satisfactory |
| India | | | | |
| Uttar Pradesh Sodic Lands Reclamation Integrated Watershed Development | Unsupportive | Strong | Strong | Satisfactory + |
| - Rajasthan | Supportive | Strong | Mixed | Satisfactory + |
| Integrated Watershed Development - Gujarat | Unsupportive | Mixed | Mixed | Unsatisfactory |
| Madhya Pradesh Rural Water Supply and Sanitation | Mixed | Mixed | Mixed | Unsatisfactory |
| India Population Project 5 | Mixed | Weak | Weak | Unsatisfactory |
| India Population Project 8 - Hyderabad | Supportive | Strong | Strong | Satisfactory + |
| India Population Project 8 - Delhi | Unsupportive | Mixed | Mixed | Unsatisfactory |
| Kenya | | | | |
| Emergency Drought Recovery (EDRP) | Supportive | Mixed | Strong | Satisfactory |
| Population III | Mixed | Mixed | Mixed | Unsatisfactory |
| Population IV | Mixed | Mixed | Strong | Satisfactory |
| National Extension I | Unsupportive | Weak | Weak | Unsatisfactory |
| National Extension II | Unsupportive | Weak | Weak | Unsatisfactory |
| Mali | | | | |
| Natural Resource Management (PGRN) | Mixed | Weak | Mixed | Unsatisfactory |
| Second Health, Population and Rural Water Supply (PSPHR) | Mixed | Weak | Weak | Unsatisfactory |
| Education Sector Consolidation | Mixed | Weak | Mixed | Unsatisfactory |
| Public Works and Capacity Building (AGETIPE) | Supportive | Weak | Weak | Unsatisfactory |
| Agricultural Services (PNVA) | Unsupportive | Weak | Mixed | Unsatisfactory |
| Projet de Consolidation des Actions Paysannes (PCAP) | Supportive | Strong | Strong | Satisfactory |

(+) Highly satisfactory performance of NGO/CBO activity.

Source: OED data.

projects, but there are significant gaps between what is intended and what is often achieved.

Outcome

Of the 37 projects (or major project components) assessed by OED, a satisfactory outcome for NGO/

CBO involvement is recorded in 18 (49 percent) and an unsatisfactory outcome in 19 (51 percent). Ratings are indicated in the right-hand column of Tables 3.2 and 3.3. To be considered satisfactory, a project's NGO/CBO activity had to achieve (or without major restructuring be likely to achieve) most of its major

TABLE 3.3: FINDINGS ABOUT DETERMINANTS AND OUTCOMES OF NGO/CBO INVOLVEMENT—PROJECTS APPROVED OR UNDER PREPARATION SINCE 1995

| Project | Environment | Relationships Between Actors | Balance of Capacities | NGO/CBO Activity Outcome |
|--|-------------|------------------------------|-----------------------|--------------------------|
| Brazil | | | | |
| Demonstration Projects of Pilot Program to Conserve the Rainforest | Supportive | Strong | Strong | Satisfactory + |
| Bolivia | | | | |
| National Land Administration | Mixed | Weak | Weak | Unsatisfactory |
| Rural Communities Development | Supportive | Strong | Strong | Satisfactory |
| Rural Water Supply (PROSABAR) | Supportive | Strong | Strong | Satisfactory |
| India | | | | |
| Uttar Pradesh Rural Water Supply and Sanitation | Supportive | Strong | Strong | Satisfactory |
| Kenya | | | | |
| Arid Lands Resource Management (ALRMP) | Supportive | Strong | Strong | Satisfactory |
| Sexually Transmitted Infections (STIP) | Supportive | Mixed | Mixed | Unsatisfactory |
| Early Childhood Development | Supportive | Strong | Strong | Satisfactory |
| Mali | | | | |
| Grassroots Initiative Project (PAIB) | Supportive | Mixed | Weak | Unsatisfactory |

(+) Highly satisfactory performance of NGO/CBO activity.

Note: These assessments are based on the evaluation of the projects at the time of OED's field missions to the five countries visited. For the set of projects only recently prepared or approved, it is possible that performance will change. This is particularly the case for projects rated as unsatisfactory whose weaknesses are likely to receive attention by borrowers and the Bank. *Source:* OED data.

goals with few shortcomings. The findings of OED's assessments, described in Tables 3.2 and 3.3, are summarized in Tables 3.4 and 3.5.

Nine of the projects assessed were either under preparation or have been approved since 1995. In these recent projects, the interim outcome of NGO/CBO involvement is rated satisfactory in six (about 66 percent)

TABLE 3.4: OUTCOME OF NGO/CBO INVOLVEMENT IN ESTABLISHED PROJECTS

| | Projects | |
|---------------------|-----------|------------|
| | Number | Percentage |
| Highly satisfactory | 6 | 16 |
| Satisfactory | 12 | 32 |
| Unsatisfactory | 19 | 51 |
| Total | 37 | 100 |

Source: OED data.

TABLE 3.5: OUTCOME OF NGO/CBO INVOLVEMENT IN RECENT PROJECTS

| | Projects | |
|---------------------|----------|------------|
| | Number | Percentage |
| Highly satisfactory | 1 | 11 |
| Satisfactory | 5 | 56 |
| Unsatisfactory | 3 | 33 |
| Total | 9 | 100 |

Source: OED data.

and unsatisfactory in three (about 33 percent). Recognizing these small numbers and the newness of these projects, their performance is higher than expected for established or closed projects, suggesting that more recent projects with substantive NGO/CBO involvement are better prepared and implemented than earlier ones.

The distinguishing feature of the projects with satisfactory NGO/CBO involvement, evident in Table 3.6, is that in most cases all the determinants of NGO/CBO success hypothesized in the study design are aligned; there is a supportive environment, constructive relationships among partners, and strong and balanced capacities among partners. A supportive environment is a basic requirement, but OED believes that success depends on getting all three sets of factors in focus. When two or more key determinants of NGO/CBO performance are mixed or weak, the outcome is almost certain to be unsatisfactory, because when the environment is unsupportive, relationships among the partners are weak, and partner capacities are weak and poorly aligned.

Intention and Achievement

Gaps between intention for NGO/CBO involvement and achievement take two forms. First, a gap exists between the number of projects identified in the Bank's

TABLE 3.6: DETERMINANTS AND OUTCOMES OF NGO/CBO ACTIVITY ASSESSED BY OED

| Environment for NGOs/CBOs | Working Relationships Between Partners | Balance of Partner Capacities | Satisfactory NGO/CBO Outcome | Unsatisfactory NGO/CBO Outcome |
|---------------------------|--|-------------------------------|------------------------------|--------------------------------|
| Supportive | Strong | Strong | 11 | 0 |
| Supportive | Strong | Mixed | 3 | 0 |
| Supportive | Mixed | Strong | 1 | 0 |
| Supportive | Mixed | Mixed | 0 | 2 |
| Supportive | Weak | Mixed | 0 | 1 |
| Supportive | Weak | Weak | 0 | 1 |
| Mixed | Mixed | Strong | 2 | 0 |
| Mixed | Mixed | Mixed | 0 | 2 |
| Mixed | Weak | Mixed | 0 | 2 |
| Mixed | Weak | Weak | 0 | 4 |
| Unsupportive | Strong | Strong | 1 | 0 |
| Unsupportive | Mixed | Mixed | 0 | 2 |
| Unsupportive | Weak | Mixed | 0 | 3 |
| Unsupportive | Weak | Weak | 0 | 2 |
| Total | | | 18 | 19 |

Source: OED data.

NGO database with provision for NGO/CBO involvement in implementation and the number of projects where actual NGO/CBO involvement takes place. Provision for NGO/CBO involvement in appraisal documents is a poor indicator of actual involvement to come. In late 1996, before OED's mission to Kenya, the Bank's Kenya portfolio had 18 projects with provision for NGO/CBO involvement. After reviewing project documents and consulting Bank task managers, the number of projects where NGO/CBO involvement was deemed likely to have a discernible impact on effectiveness was reduced to eight, including one project (Early Childhood Development) in the pipeline. In Mali, the number of projects with substantive NGO/CBO involvement was reduced from 11 to 7 (including one project under preparation), and in Bolivia from 17 to 10. In India and Brazil, the number of projects with provision for NGO/CBO involvement exceeded the number that OED could assess reliably from the files and through a field mission of modest duration. Nevertheless, substantive involvement of NGOs/CBOs is less frequent in Kenya and Mali than the Bank's database indicates.

The second gap exists where NGOs/CBOs are involved in projects, but the level of involvement is smaller and its effects are less influential than the appraisal documents propose. Where actual NGO/CBO involvement occurs, it is rarely well planned and managed. The rationale for involving NGOs or CBOs is often unclear and involvement is not fully grounded in NGO/CBO experience. In most projects, NGOs/

CBOs are expected to fulfill roles in implementation without being involved in design. For such reasons, more fully described in chapter four of this report, the contribution of NGOs/CBOs to the Bank-supported projects assessed by OED is highly variable. A small number of projects are highly successful, demonstrating good practices that are likely to be applicable elsewhere. It is also evident that the design and implementation of projects that involve NGOs or CBOs is improving: newer projects are doing more to involve NGOs and CBOs. Overall, however, a gap remains between good intentions and achievements.

Explaining Outcomes

The determinants of outcome of the projects assessed by OED are summarized in Table 3.6, and in the following paragraphs.

The Enabling Environment

A supportive environment for NGO/CBO involvement in Bank-assisted projects matters. The contribution of NGOs/CBOs to Bank-supported projects is context-specific, and generalizations about the enabling environment for NGOs or CBOs are unhelpful. Project achievements and outcomes must be assessed relative to the environments within which they operate. Environments differ, and the supportiveness of governments for partnership with NGOs and CBOs varies widely. In-depth knowledge is needed, country-by-country and sector-by-sector, if the role of NGOs and CBOs is to be understood in context. In large countries, such as India and Brazil, the environment

for NGOs and CBOs can vary by state. In countries where NGOs may be sharp critics of government, productive partnerships can still exist.

Governments discourage or encourage NGO or CBO activity in certain sectors. Activity may be discouraged in areas that are easily politicized, such as advocacy of human rights, promotion of civic education and democratic processes, advocacy of land rights, and involvement in land redistribution. In these same countries, NGOs and CBOs may be strongly encouraged to become involved in activities that help to close gaps in services, raise user fees, or help communities take responsibility for managing resources or sustaining investments at the local level. Governments that view some NGOs with skepticism in one part of the country may welcome them as partners in another. From Kenya to Brazil, where relations between government and the NGO community may be strained over land rights issues, productive relations exist in AIDS/STD control, natural resource management, or rain forest conservation.

NGOs and CBOs become established and function effectively in environments where relevant legislation is well understood and where there are long-established traditions of charitable giving, as in India. In all the countries OED visited, religion-based and charitable organizations have operated for many years, providing social services, health care, and education, often to the poor and to people in remote areas. More recently, NGOs have become significant providers of relief after wars or natural disasters.³

In those countries where democratic systems are young, the environment for NGO and CBO action is improving. In Bolivia, the environment is complex but increasingly positive, and NGO-government relations are widely acknowledged to have changed from bordering on hostile to more openly communicative and positive. In Mali and Brazil, government relations with NGOs and CBOs have moved from confrontation to engagement.

Good legislation contributes much to a positive environment for NGOs/CBOs.⁴ India relies on a combination of long-established and recent legislation to regulate NGOs and CBOs. Bolivia has introduced new laws on administrative and financial decentralization and popular participation that have encouraged CBOs to participate in decisionmaking and implementing local development initiatives. Under the new law on popular participation, traditional and indigenous community organizations are encouraged to share responsibility for

social services, infrastructure, and environmental matters. But there is still deadlock over a proposed NGO law (first drafted in 1992), in which a balance is sought between the state's desire for control and the NGOs' desire for protection from arbitrary action by government. In Kenya, the government introduced new legislation to regulate a growing NGO sector in 1990, but the law was extensively modified following NGO criticism of its original form.

Governments and NGOs alike recognize that the Bank has sometimes been helpful when relations between the two were new, as in Mali where the process of democratization began only in 1991 and NGO activity spread from relief to development. NGOs have also criticized the Bank for failing to use its influence when relations between government and NGOs were strained, as in Kenya in 1990–92 when the NGO Coordination Act was introduced and vigorously debated. In Brazil the Bank (together with donors and NGOs) was influential in opening up space for participation of civil society in work in AIDS control and environmental conservation.

An enabling environment for NGOs and CBOs contributes to development effectiveness by clarifying and protecting the rights and obligations of NGOs and CBOs, and by creating opportunities for government-NGO/CBO cooperation. However, Bank-supported projects and project components can succeed in unfavorable environments and fail in favorable ones. In Uttar Pradesh, India, where the environment for NGOs is not always supportive, some NGOs/CBOs are cooperating with the government (see Box 4.1). In Mali, by contrast, where the president vigorously supports NGO/CBO involvement, many parts of the bureaucracy resist working with NGOs.

Relationships Between Partners

Two sets of relationships are especially important to NGO/CBO effectiveness in Bank-supported projects: the relationships between borrowers and NGOs/CBOs, and the relationships between the Bank and borrower agencies concerning NGO/CBO partnerships.

Borrower relationships with NGOs/CBOs

Close working relationships are clearly critical to project success. But unless these relationships are fully

Enabling environments will vary case-by-case.

owned by both parties, they are unlikely to succeed. OED found borrower relations with NGOs/CBOs in Bank-supported projects to be highly variable. In some projects, productive relationships are developing among governments, NGOs, and CBOs. In the Sodic Land Reclamation project in Uttar Pradesh, the skill and capacity of the principal NGO involved (Sarvodaya Ashram)—which pioneered sodic land reclamation—are fully respected by the government, enabling the NGO to put its experience to work as a full partner. In Emergency Drought Recovery in Kenya, because of its known field experience, Oxfam has become a respected adviser to the government on community management of water and pastures in arid areas. In India, in the Integrated Watershed Development Project (Plains) in Rajasthan, the State Land Development Corporation has carefully developed effective working relationships with CBOs that plan and execute soil and water conservation, without the involvement of intermediary NGOs.

NGOs and CBOs are most often valued partners when they complement government rather than substitute for it. In the Eighth India Population Project (IPP8) the Hyderabad municipal government has successfully engaged NGOs in 161 slum areas to mobilize women in groups and open a dialogue between these groups and health workers. This dialogue has raised the women's awareness of the health services they are entitled to and helped health workers to meet the demand more effectively. The municipal government acknowledges that NGOs have a comparative advantage in mediating relationships with its poor clients.

In new areas of development activity, such as environmental and biodiversity conservation, governments are increasingly likely to recognize that NGOs are potential partners. In Brazil, in the Demonstration Projects of the Pilot Program to Conserve the Rain Forest, NGOs receive grants to support innovative, community-based forest conservation measures. While it is too soon to assess the impact of these Global Environment Facility-funded initiatives, the early results are positive. In Bolivia, biodiversity conservation through improved park management is being entrusted to NGOs that mobilize communities, raise their confidence in relationships with the government, and allow trials of new approaches to difficult land management problems.

Governments also see value in NGOs/CBOs when they do what governments are themselves unable or

unprepared to do. NGOs are appreciated when they fill gaps in the provision of essential services, and CBOs are recognized when they help to sustain community-level investments. Some NGOs are long-established providers of family planning services, some of which predate those of the government, as in Kenya. CBOs are becoming common and accepted mechanisms for the maintenance of public investments in rural water and sanitation systems, as in Maharashtra and Uttar Pradesh in India.

Governments appreciate the willingness of NGOs to do unpopular things. A prime example is work with HIV/AIDS patients and the control of sexually transmitted diseases (STDs). Governments in Brazil, Kenya, and India all expressed their support for NGOs that work on these sensitive problems, especially among marginalized groups such as prostitutes and intravenous drug users.

Borrower relations with NGOs/CBOs are often defined by the perceptions of a few key officials. These range from supportiveness to skepticism. Constructive relationships often depend on creative individuals with previous links to the NGO community who carefully nurture new relationships with NGOs/CBOs, as has occurred in Brazil in AIDS/STD Control and the Northeast Rural Development Project in the State of Rio Grande do Norte. Skepticism among officials stems from their sensitivity to the criticisms of NGO advocacy groups, from the independence of mature NGOs, and from a broad-based concern that NGOs are competitors for official development assistance that would otherwise flow to governments. The widely held view that NGOs compete with government stems from the rapid growth in support for NGOs by donors, some of which have simultaneously limited their contributions to official development assistance or tied disbursements more explicitly to results. In countries where public agencies have become dependent on donor funds for recurrent costs, competition posed by NGOs is felt keenly. For all these reasons, NGO relations with governments can become strained.

Government managers said most often that they sought NGO involvement in Bank-assisted projects in order to fill gaps, often short term. Gap-filling leads to contractual relationships where NGOs are employed for a fixed period for a fee. Continuity and, as a consequence, sustainability is often not expected. Contracts with NGOs are attractive to governments when they cost less than comparable service provided by

BOX 3.1: AN NGO'S EXPERIENCE WITH THE SOCIAL INVESTMENT FUND (SIF) IN BOLIVIA

In the city of Cochabamba, an NGO called IFFI (Instituto de Formación Feminina Integral) began its relationship with the state in 1991 by applying to the SIF for the construction and furnishing of a Women's Training Center. The project was approved by the SIF in six months, but construction—by a contractor selected and contracted by SIF—was delayed for a year, obliging IFFI to adjust the proposal after renewed dialogue with the community. The center was completed in September 1994 with the exception of the furni-

ture supply, for which a separate contract had been made. The reason for the two contracts—an unusual procedure—was to avoid exceeding the \$100,000 limit, which would require a “no objection” from the World Bank in Washington, and which SIF knew by experience would mean further delays. In this case, the delays occurred anyway, and the center only received the necessary equipment toward the end of 1995.

Today, the center has a kindergarten for 45 children; conducts training in leather work for men and women; and in knitting for women, and offers additional non-formal education to

young adults. SIF financed the operation costs up to mid-1996. The center is now financed from several sources, with funds from both government (food and salaries for the kindergarten, technical training courses) and IFFI sponsors (including a Dutch NGO).

Relations between SIF and IFFI are cordial, each acknowledging the others' competence. For IFFI, working with SIF has been a learning process, especially in handling financial and administrative issues. IFFI finds SIF's control mechanisms too demanding, but acknowledges that once mutual confidence was estab-

lished, flexible arrangements were also found, allowing it to adapt the project as time—and delays—made necessary. Neither IFFI nor SIF has tried to assess the effects of the center, but SIF praises IFFI staff for their constant reflection about what they are doing and their ability to change as lessons are learned. IFFI is satisfied with the perceived impact of its work: parents are valuing their children more and paying more attention to them, and trained women are finding regular employment.

government and because they offer flexibility. Contracts can be of short duration—and they enable governments to work outside the rules of public service employment, which are often seen as restrictive. But what is good for government may be bad for NGOs.

Narrowly defined contractual relationships allow little room for the innovation or flexibility that NGOs may bring to their work. Officials often come to see themselves as auditors charged with maintaining the accountability of NGOs, as opposed to achieving results. An example is the Fifth India Population Project (IPP5) in Mumbai and Chennai, where responsibility for implementation was entrusted to government officers who saw NGO health centers as temporary, low-cost substitutes for government health centers and who were unfamiliar and unsympathetic with NGOs.

A tendency by officials to control NGOs was notable in some professions, among them engineering and medicine. In Mali an experienced national NGO,

contracted in two Bank-supported projects to help rural communities install wells in dry areas, worked with a succession of small contracts written in great detail with strong penalty clauses. The NGO felt poorly used by this treatment. It believed its record warranted more flexible working relations, given the remote location, difficult physical conditions, and the need to mobilize communities to operate and maintain the wells. In India, in IPP5, the municipal corporations of Chennai and Mumbai determined the approach of the NGOs that operated health posts by identifying performance targets, staffing patterns, salaries, and health post operating hours in accordance with government of India “norms.” This kept NGOs from being integrated into the project as effective community mobilizers and as innovators to test new approaches, as originally intended by Bank staff, thus eliminating the opportunity for flexible operations that might have served their disadvantaged clients better.

Some governments work with NGOs as a temporary measure but fail to see the value of longer-term relationships. In India's health sector, senior officials expressed the view that NGOs should be self-financing. The proposition that government should support NGOs financially for more than short periods was not accepted: if NGOs were dependent on government for finance, they could not be "nongovernmental." NGO health posts were expected to raise revenue from user fees for services that were provided free in government health centers. By following this path in IPP5, NGO health posts deterred the slum-area clients they had been created to serve. Others chose to offer for-profit services sought by better-off clients in order to cross-subsidize service to the poor. In Kenya, NGOs that provide family planning services are not expected to become financially self-sufficient, but in contrast to government, are expected to raise a growing share of their income and remain highly dependent on project funds.

Some NGOs provide services that are similar to those of government, but they target poverty groups or increase the range of choice. Good examples are found in Kenya, where NGOs provide about 40 percent of all family planning services. NGOs involved in Bank-supported population projects in Kenya have many years of experience; some have been in the field longer than the government. These NGOs work independently but collaborate with the government when necessary, sharing supplies in times of shortage and referring clients to each other. This relationship is also partly competitive. NGO family planning services are generally perceived by their clients to be of higher quality than those offered by government, but NGOs may levy charges that deter access by the poorest.

The NGOs OED met were proud of their motivation and independence. Some fear a loss of independence if they become involved with government in a Bank-supported project. The most frequent NGO fear is that their clients and supporters will mistrust them if they become too close to government. Maintaining credibility with their clients and members is vital. A specific danger is the fear of corruption associated with receiving funds through government channels where officials often demand payoffs or kickbacks. Several NGOs expressed willingness to become involved in Bank-supported projects but were unprepared to accept funds channeled through government. Some NGOs, such as those involved in Emergency Drought Recovery in Kenya, do vital work without receiving project funds.

Bank relationships with borrowers

Bank relationships with borrowers concerning the involvement of NGOs/CBOs in Bank-assisted projects also vary. Good working relationships in projects start with full acceptance by the borrower of the rationale for and relevance of NGO/CBO involvement. It is on this foundation that more detailed aspects of project design and day-to-day working relationships of project implementation are built. Where the rationale and relevance of NGO/CBO involvement are fully owned by the borrower, the likelihood of a satisfactory NGO/CBO outcome is high; where it is not, it is low. Contrasting examples are provided by India's Fifth and Eighth Population Projects: IPP5 and IPP8.

The documentation for NGO/CBO involvement in IPP5 is detailed and comprehensive. It suggests that the rationale for the involvement is understood and agreed by all parties and owned by the borrower implementing agencies. In practice, this was not the case. The project's premise that NGO-based health posts would complement government health centers by targeting slum dwellers in two large cities with creative and flexible approaches was either not accepted or was changed soon after project approval. Nor was there a commitment that NGO health centers would be financed by the government when project funds were exhausted. Because of lack of agreement on these basic premises, NGO health posts established under the project were constrained during implementation to follow the same rules of operation as government centers, rather than serve their clients more creatively. And dependable funding of NGO health posts stopped when the project closed, leaving the clients unserved and the staff without employment. The partnership that appeared to exist at appraisal failed because the Bank and the borrower had differing concepts of the NGO role.

This experience contrasts with the Hyderabad component of IPP8. In Hyderabad, the project design that involves NGOs/CBOs in the increasing demand for maternal and child health services in slum areas is fully owned by the municipal government. NGOs are understood by all parties to be a bridge between the municipality and the slum community. Preliminary results suggest that immunization, ante- and post-natal care, and contraceptive prevalence rates are higher in areas where the NGOs are working. This superior performance is attributable in part to agreement by the borrower and the Bank on the strategic role of NGOs.

The agreement has provided a foundation for increased collaboration between the municipal government and NGOs, and among NGOs. This contrasts with IPP5, where NGOs found themselves isolated and constrained by the municipal governments because of the inappropriate tasks assigned to them.

A second important aspect of the Bank-borrower relationship concerns the degree of control retained by the Bank that is either built into projects during preparation or exercised during implementation. The issue of control is especially important in projects where NGO/CBO involvement is expected to enhance flexibility and innovation in implementation. Projects in India again provide useful examples. In the Maharashtra Rural Water Supply Project, following Bank supervision, contracts with NGOs were tightened by the implementing agency to the point where NGO activity was so fragmented that it almost halted. This

approach contrasts with the Uttar Pradesh Rural Water Supply Project, where the Bank and the borrower are successfully applying the flexibility inherent in Bank procedures on contracting NGOs to facilitate the progress of work and the smooth flow of funds.

The causes of these divergent approaches are found in the level of confidence Bank task managers have in NGOs, their degree of willingness to encourage and enable NGOs to operate, and their individual ability to employ sensibly the freedom Bank procedures provide when NGO involvement is justified. Bank Guidelines for Procurement under IBRD loans and IDA credits and Guidelines for the Selection and Employ-

Mature NGOs make strong partners because they maintain their independent voices.

BOX 3.2: BRAZIL'S NORTHEAST RURAL DEVELOPMENT PROGRAM: THE EXPERIENCE OF RIO GRANDE DO NORTE

The Northeast Rural Development Program (NRDP), a large program implemented in the 10 northeastern states in 1985, was converted into a community-based development program in 1993. In the reformulated NRDP, funds were to be channeled directly to communities, while NGOs were to help mobilize communities and provide them with technical assistance. The reformulation stirred controversy among many NGOs and other organizations that perceived it to be heavily state-dominated and without any

input from civil society.

In the state of Rio Grande do Norte, as in other states, the reformulation was initially not well accepted by civil society. Nevertheless, a constructive relationship between government and NGOs has grown. Several things have helped this relationship. First, civil society in Rio Grande do Norte is highly organized and includes competent and skilled NGOs. Second, the state government is open to civil society and willing to test new ideas. Third, the state and civil society have a long history of relationships. Fourth, the NRDP technical unit was composed of open-minded people, some of whom had come from trade unions; this facilitated

dialogue and communication. Finally, a major contributing factor was the creation in 1993 of the *Fórum do Campo Potiguar*, which brings together 14 entities including trade union representatives, NGOs, church organizations, and representatives of social movements. The initiative has led to better understanding and harmony among different entities of civil society. State officials view the *Fórum* as a balanced, nonpartisan counterpart to government.

The *Fórum* came to view the reformulated NRDP as an opportunity to collaborate and quickly became a significant player. Its members provide technical assistance

to NRDP-funded community associations and carry out project monitoring. Most important, NGOs have undertaken independent evaluations of the funded subprojects, which examined the legitimacy of demand, the quality of investments, and issues of sustainability.

As noted in the project's Implementation Completion Report, "performance improved markedly and the NGO partnership with the [technical unit] and the communities is a distinguishing feature of the State's project experience." The report recommends dissemination of this "best practice."

ment of Consultants by World Bank Borrowers allow preference to be given to NGOs when participation and local knowledge are essential requirements. In exceptional circumstances, an NGO contractor may be selected without competition if this provides clear advantages. Applying these guidelines effectively, however, takes more proficiency than is often available.⁵

Capacities of the Actors

Capacity refers here to the ability of partners in a shared enterprise to carry out their responsibilities. It includes the skills and resources necessary to perform tasks reliably. For partnerships to work, all the partners have to be capable.

NGO capacity

NGOs often described themselves to OED as supporters of community development. The experienced NGOs understood well their strengths and weaknesses. They were at their most effective when projects were built directly on their experience, complementing, and not simply adding to or substituting for, the work of government. Good examples can be found across a range of projects—from promoting dialogue on biodiversity conservation in Bolivia to mediating relations between slum dwellers and public health providers in Hyderabad, India.

Capable NGOs have several strengths. The first is their capacity for independent thought and action. While almost none of the NGOs that OED met were financially independent, most strived to maintain their independence. This posed enormous challenges, including the strength needed to reject inappropriate work

The most common weakness of NGOs is lack of financial independence.

simply because funding was available. Not all NGOs are able to turn down work that conflicts with their mission, experience, or preferred practices. But mature NGOs (such as Oxfam in Kenya; Associação de Apoio as Comunidades do Campo in Rio Grande do Norte [see Box 3.2], Brazil; and Shri Buvaneshri Mahila Ashram in Uttar Pradesh, India) make strong partners because they maintain their independent voices, which allows them to represent beneficiary views to governments clearly and without obfuscation.

NGOs working in Bank-assisted AIDS/STD control in Brazil chose not to reapply for grant funds because

they considered the administrative costs too high. Others in rural water supply and sanitation in Maharashtra were prepared to withdraw from the project unless more genuine participation with clients became possible. The target-driven nature of their contracts was incompatible with the need to treat client communities individually. NGO contracts were written as if villages were identical when they were complex and varied and could not be organized or motivated at the same pace. NGOs saw the reporting requirements as excessive, raising the overhead costs of lean organizations to unreasonable levels. The NGOs remained involved in the projects because they were committed to the communities and did not want to let them down. But the experience taught them not to accept similar arrangements in the future.

Second, where NGOs were succeeding, their capacity to innovate was appreciated. NGO innovation is sometimes technical—as in the development of methods to reclaim sodic lands in Uttar Pradesh by Sarvodaya Ashram, or in the development of early childhood development practices in Kenya which is supported by the Aga Khan Foundation—but it is more likely to be in local community mobilization for participation. The model for organizing associations of livestock herders to take charge of pasture in drought-prone areas of Kenya was pioneered by Oxfam and adopted by the Emergency Drought Recovery Project. New approaches to raising demand by slum dwellers for primary health care services are evolving in the Eighth India Population Project in Hyderabad, thanks to cooperative relationships between the municipal government and several local NGOs.

The most common weakness of NGOs is their lack of financial independence. Large national NGOs are mainly dependent on foreign contributions, most of which are project-based. A few large international NGOs have well-established mechanisms through which they raise a significant share of their funds from diverse sources. These international NGOs receive few funds from Bank-supported projects but are often major recipients of project-based funds from bilateral donors and foundations. Large national NGOs are also mainly dependent on foreign contributions, most of which are project-based.

Erratic sources of project-based finance prevent most NGOs from developing their administrative capacities beyond basic levels, because most available funds are applied to operations. The priority of

operations and the unwillingness of donors to fund overheads result in many NGOs limiting the resources devoted to planning their work, administering their human and financial resources, and monitoring and evaluating the results. None of the countries OED visited had indigenous sources of finance to support development of NGOs' institutional capacities. Project-based funds restricted severely—often to below realistic levels—the proportion of funds that could legitimately be devoted to project administration or overhead. Bank-supported projects visited by OED used a variety of crude methods to estimate overhead costs. An overhead allowance of 10 percent of project costs was not uncommon. This is far below the level needed to operate effectively in developing countries under difficult field conditions.

Some NGOs successfully reach the poor, but many do not—and some do not aim to do so. Projects that require significant financial contributions from poor beneficiaries but do not also enable the poor to raise their incomes have limited uptake. For example, in India sanitary latrines are being constructed successfully in the Maharashtra Rural Water Supply and Sanitation Project, but by better-off families; in Kenya the poorest cannot afford the fees for family planning services charged by some NGOs. Many local investments in infrastructure supported by social funds in Bolivia benefit the poor, but not the poorest nor the poor in remote areas. But in IPP8 in Hyderabad, poor women are being helped to raise their incomes, as a stimulus to empowerment, while simultaneously their demand for improved access to primary health care is being nurtured.

Cost-effectiveness is seen as a characteristic of NGOs, but OED found little concrete evidence to support or refute the claim. Part of the problem is the lack of monitoring data that characterizes most projects. Some projects that employ NGOs as service providers define the cost of operation at levels below those of government, as in Bolivia's Integrated Health Development Project and IPP5. But there is little hard evidence that NGOs offer services comparable to those of the government at lower cost. NGOs were viewed as a "lower-cost option," but this opinion lacked supporting detail or measures of quality. Costs associated with larger national and international NGOs are actually likely to be higher than government costs because these NGOs offer better salaries and working conditions and maintain the logistical support (telecommunications and vehicles) needed to put people to work effectively

under difficult conditions. But in several projects assessed by OED, where NGOs acted as intermediaries between government agencies and communities, NGOs were performing tasks that government itself was previously unable to perform at any price. For example, in the Uttar Pradesh Rural Water Supply and Sanitation Project, NGOs facilitated CBO formation and community ownership of village water systems. This was not even attempted when responsibility belonged exclusively to government.

Government capacity

While some borrower government agencies have a well-developed ability to work effectively with NGOs, these are exceptions. Positive examples were found in Brazil, Bolivia, Kenya, and India. These examples grew under the direction of public sector managers who were willing to accept NGOs as partners and to equip their agencies to work with them. Through these NGOs, the government is able to reach CBOs and support local development initiatives. In the Rajasthan component of India's Integrated Watershed Development Project, the borrower has successfully developed an effective capacity to deal directly with CBOs without NGO intermediation, but this is unusual.

NGO understanding of the Bank is weak.

Bank capacity

The capacity of the Bank to encourage NGO/CBO involvement in projects is limited but growing. OED finds that the Bank's NGO Unit and the regional Social Development Units at headquarters and the NGO specialists in the field are increasingly well known and appreciated. But the capacity of the NGO Unit to provide Bank task managers with timely, project-specific advice remains limited, and the influence of the NGO specialists is sometimes limited because their NGO experience varies from extensive to minimal and their status is low.⁶ In recent years, however, many regions in the Bank have strengthened their own capacity to address NGO and civil society issues through, among other things, increasing the share of responsibility regional Social Development Units have for coordination and collaboration with regional NGOs.⁷

The capacity of the Bank to exert a positive influence on the environment for NGO action is widely believed to be high. The Bank has used this influence

more effectively in some countries (Mali) than in others (Bolivia and Kenya), where some NGO leaders thought the Bank missed important opportunities. NGOs expect the Bank to use its influence with government to help create a supportive environment for NGO action, but the Bank's limited NGO experience and, paradoxically, its direct relationships with governments get in the way.

Recognition of the Bank's growing interest in participation and social development is raising expectations among NGOs that they will become increasingly involved in World Bank-supported projects. However, many NGOs believe the Bank is poorly informed about the NGO community, although they acknowledge that its understanding is growing. Bilateral donors and foundations with a long-established presence in borrower countries usually have a better understanding of the NGO community and CBOs than the Bank, but cooperation between bilaterals and the Bank is limited. Even in cofinanced projects, donors have little communication with the Bank. While the U.K. Overseas Development Administration funded the NGO component of Population III in Kenya, and the German GTZ funded a major part of the Natural Resource Management Project in Mali, these agencies had little communication with the Bank during project implementation. These organizations and institutions are a valuable resource that the Bank has not tapped sufficiently.

NGO understanding of the Bank is weak. While the Bank does not deal directly with NGOs in projects, the NGOs met by OED had little knowledge of how the Bank worked. Even mature NGOs with extensive experience in Bank-supported projects (as in family planning projects in Kenya) did not understand the Bank's role or know how Bank funds flowed to NGOs and CBOs through governments. Many NGOs did not realize that the Bank makes loans and credits available only to governments. Some NGOs had wrong impressions of the Bank (positive and negative). Some of these

were attributable to poor communication by the Bank and to misinformation from borrower agencies that invoke the name of the Bank in order to shift responsibility or exert leverage over their clients. Many NGOs noted improvements in the Bank's ability to work with them thanks to the arrival of NGO specialists.

As expected, CBOs were usually unaware of the existence of the Bank. When CBOs met by OED knew of the Bank it was often because officials had described projects to them as "World Bank projects," instead of Bank-financed government projects.

In the projects assessed by OED, the successful involvement of NGOs or CBOs depended often on the actions of individual Bank staff who understood what NGOs and CBOs could realistically contribute in specific country circumstances. Two projects in India, one established and one with clear potential, demonstrate this: the Sodic Lands Reclamation and the Uttar Pradesh Rural Water Supply. In both projects, after lengthy periods of identification and preparation that dealt unrealistically with NGOs, Bank staff with knowledge of India and NGO experience raised objections that triggered major reconsideration of these projects' structure. This resulted in substantial changes that allowed the projects to directly tap into the experience of national NGOs, gained through the participation of local NGOs, and the ownership by CBOs necessary for project success.

With few exceptions, project files and documents kept by the Bank contain very little information about NGOs or CBOs. Some Bank task managers keep a disproportionate share of project information in their heads or in records (now often electronic) that do not become part of the official file. Bilateral agencies and foundations documented their relations with NGOs better because their contacts were more frequent, their staff was in-country, and they managed their relationships more closely.



Influences on NGO and CBO Contributions

For NGO or CBO involvement in Bank-supported projects to succeed, several things have to be done well by all the partners, but only a few things have to be done badly for a partnership to perform poorly. While the investment needed to achieve these necessary elements may seem high, the returns can be worthwhile when investment is undertaken selectively. This chapter draws from the case studies to identify the main influences, positive and negative, on NGO or CBO partnerships in the projects assessed by OED.

Fostering NGO and CBO Involvement

The main factors that foster NGO and CBO involvement in Bank-supported projects include working within a supportive environment; building on NGO experience; recruiting NGOs objectively; working with NGOs prepared to scale up; adopting a participatory approach; involving beneficiaries; disbursing funds efficiently; and doing monitoring and evaluation. Even more broadly, the hallmarks of successful involvement of NGOs and CBOs are jointness of project ownership and early attention to detail.

A supportive environment

The first factor behind a successful partnership is a clear desire by government, particularly the implementing agency, to have a constructive relationship with NGOs and CBOs. This has to be reflected in the behavior of the responsible public sector managers and may also be reflected in a new policy environment that encourages such relationships. In the Uttar Pradesh Rural Water Supply and Sanitation Project, NGO/CBO collaboration would not have been possible if responsibility for project activities had not been formally transferred to the Department of Rural Development,

which was willing to collaborate with communities. In Mali, CBO involvement in providing primary health care was facilitated by a new health sectoral policy in 1990, and later through a new decentralization policy. NGO facilitation of government relations with herders' associations in drought-prone areas of Kenya works in part because of leadership at the highest level of government, a national policy of decentralization that requires NGO/CBO collaboration in district-level development plans, and district-level officials who take seriously the injunction to work with community-based organizations. The community focus in Brazil's reformulated Northeast Rural Development Program (NRDP) was possible in part because of the policy of decentralization and the willingness of government to channel resources directly to CBOs.

Begin with a clear desire by government for a constructive relationship with NGOs and CBOs.

Building directly on NGO experience

Many of the more successful projects with NGO involvement are those that build directly on the

experience of NGOs. Sarvodaya Ashram in Uttar Pradesh demonstrated how sodic lands could be cost-effectively reclaimed where governments and other larger organizations had repeatedly failed. Neither the Brazil AIDS/STD Control nor the Kenya Sexually Transmitted Infection projects

Identifying and recruiting the right NGOs matters.

could have been developed without the pioneering work of NGOs and CBOs in reaching target groups. The participatory elements of the Emergency Drought Recovery Project and Arid Lands Resource Management in Kenya build on models pioneered of Oxfam and other NGOs. The positive experience of the State of Rio Grande do Norte in

Brazil's NRDP is attributable to the presence of competent and respected NGOs such as Associação de Apoio as Comunidades do Campo.

Recruiting NGOs objectively

Identifying and recruiting the right NGOs is vital. Here are good examples of how to identify and recruit NGOs. In Mali in 1995, the Bank completed a countrywide assessment of NGOs to identify potential NGO partners. In India, in the Eighth Population Project (IPP8), NGOs were recruited into the project strictly on their local knowledge and relevant experience. In Uttar Pradesh Rural Water Supply and Sanitation, the project management unit began its relations with NGOs following a careful inventory of qualified

BOX 4.1: THE SODIC LANDS RECLAMATION PROJECT IN UTTAR PRADESH, INDIA: A STRONG PARTNERSHIP BETWEEN GOVERNMENT, NGOS, AND CBOs

Since 1945 the government of Uttar Pradesh (UP) has launched several sodic land reclamation programs. The results have been mixed. Among the weaknesses of past initiatives were a top-down approach that discouraged beneficiary participation, and the low priority given to monitoring and evaluation of project activities. Since the 1980s, a local NGO, Sarvodaya Ashram, has been experimenting with sodic land reclamation through the establishment of community-based organizations and small-scale field experiments. As the

NGO gained experience and success in reclamation technologies, it began to set up demonstration models in each district of UP and to seek government support for large-scale replication. A 1986 meeting with the government focused attention on Sarvodaya Ashram's approach and eventually led the UP government to propose a project to the World Bank.

The Bank-financed Sodic Lands Reclamation Project, approved in 1993, builds directly on the experience of Sarvodaya Ashram and works with CBOs and grassroots and intermediary NGOs. The NGO movement in UP is considered to be weaker than in other regions in India; some officials of the

government implementing agency described the environment for government-NGO collaboration as unsupportive and even hostile. The project was redesigned after a critical peer review by Bank staff who knew the Indian NGO community well. Despite these drawbacks, the project has succeeded in partnering with NGOs through five key elements:

- highly motivated project and NGO staff engaged in a continuous learning process;
- active and participatory project management through a cell specifically assigned to mediate between the government and NGOs;
- clearly defined roles and responsibilities for all actors;

- regular and transparent information sharing among all involved parties; and
- professional, independent monitoring and evaluation.

The project has had an impressive record with high beneficiary participation and improved socio-economic conditions for beneficiaries. Taking into account the UP government's previous unsuccessful attempts to reclaim sodic lands without beneficiary participation, experience suggests that the fruitful government-NGO collaboration has significantly contributed to the current achievements.

NGOs and an assessment of their credibility with their clients. A nonprofit foundation with knowledge of the NGO community was contracted to make this assessment. Using criteria agreed with the project management unit, the foundation screened 148 potential NGO partners. This number was reduced to 82 after a survey and examination of formal records.¹ A final group of 32 NGOs was identified in response to the views of beneficiaries collected by visits to sites where the NGOs worked.

Working with NGOs willing to scale up

Not all NGOs are able to work at the scale of a Bank-assisted project or are willing to increase the scale of their operations. Scaling-up challenges an NGO's managerial capacity and creates financial obligations to staff and clients that are often difficult to sustain. In the Sodic Lands Reclamation Project in India, scaling-up by the key NGO implementor, Sarvodaya Ashram, is enabling a valuable conservation technology to be mainstreamed among farmer groups. This will provide a widespread impact. Kenya's Early Childhood Development Program capitalizes on the demonstrated willingness of a small number of NGOs and foundations to work at a scale that will affect the national program for child development.

Adopting a participatory approach

In the best examples, NGO and CBO involvement in projects is skillfully managed. In India, in both the Sodic Lands Reclamation and the Uttar Pradesh Rural Water Supply and Sanitation projects, the level of leadership and the quality of management in the public agencies implementing the projects are outstanding. Skilled managers drawn from the Indian Administrative Service have created within their organizations a culture of respect for their NGO partners. They have recruited NGOs skillfully, involved them early, and developed responsive operating procedures with advice from national NGOs and feedback from clients. Government agencies and NGOs usually exhibit very different organizational cultures. The leaders of these organizations have managed to reconcile these differences and adapt the implementing agencies to the needs of the NGOs.

In India's Sodic Lands Reclamation Project (see Box 4.1), the demonstrated capacity of the NGOs is fully respected by the Uttar Pradesh Land Development Corporation—the project implementing agency—from

the general manager down to the field staff. Annual work plans are prepared jointly by the development corporation and the NGOs in an open workshop, and management meets monthly to review progress (including its relationships with NGOs), and to make adjustments as needed. A similar approach has been taken by the manager of the project management unit (PMU) of the Uttar Pradesh Rural Water Supply and Sanitation Project to ensure that staff throughout the agency respect and follow a participatory approach that includes NGOs as partners, and sees CBOs as clients to be served. This effort is matched by a formal effort by the PMU and its clients to build experience through pilot actions, accompanied by training in participation for project staff, including immersion in project villages. NGOs in the Demonstration Projects of the Pilot Project to Conserve the Rain Forest in Brazil are fully involved in project management and are able to influence decisions.

The Integrated Watershed Development Program (Plains) (IWDP) in Rajasthan applies skillful project management to direct government relations with CBOs. In this case, the implementing agency (the state land development corporation) carefully supports establishment of village-level user groups and preparation of local land development plans. Before entering a village, a needs assessment is done. Contact is made first with village leaders, who are given information about the project. Then, with the consent of local leaders, project staff live in the village for several days to communicate with the people. A village meeting is held and the project is explained to everyone. This is followed by a mapping exercise that starts with villagers describing the current layout; next comes preparation of a "scientific map," drawn by experts. Finally, the experts' map is modified through a participatory process into an agreed "participatory plan." Farmer groups are formed to implement these plans and decide how and when the work will be done.

Government agencies and NGOs often have different organizational cultures.

Involving beneficiaries

NGOs contribute to the participation of beneficiaries in Bank-supported projects when they organize and train beneficiaries who belong to CBOs. In the Education Reform Project in Bolivia, in the Demonstration Projects

(PDA) of the Pilot Program to Conserve the Rain Forest in Brazil and in the Grassroots Initiative Project in Mali, experienced NGOs have demonstrated their value as intermediaries and effective social organizers, even when project outcomes remain uncertain. Cooperation with NGOs in Rio Grande do Norte in Brazil's NRDP has improved CBO access to local development funds, and in the PDA, NGOs helped provide information on the program and publicized calls for proposals.

Involving NGOs as intermediaries can be difficult. In Mali's Education Sector Consolidation Project, NGOs were expected to strengthen parents' associations for community schools. In practice, NGO involvement was negligible and the parents' associations (whose capacity and function had been incorrectly estimated at appraisal) did not function as planned. The experience of an international NGO that had been working to restore the credibility to parents' associations through careful capacity building was not absorbed.

A beneficiary assessment sponsored by OED among communities affected by the second National Extension Project in Kenya identified how much potential beneficiaries, especially the poor, appreciated being approached by NGOs in their villages. This contrasted with the approach of government field extension workers under the Bank-supported training and visit (T&V) projects who periodically summoned the farmers to meet them, but dealt most often with their traditional contacts—the leading farmers. By going to farmers in their fields, the NGOs were able to win the farmers' support and target their work more directly to the poor.

Disbursing funds smoothly and on time

A critical contributor to successful NGO/CBO involvement is the timely disbursement of funds. In IWDP in Rajasthan, project management recognizes the importance of paying farmer clients promptly for work done and pays attention to the detail of the flow of funds. Management has set a performance target for making payments to CBOs within 45 days of fieldwork completion. IWDP's records indicate that the mean delivery time for payment of project funds to CBOs is 33 days, and the 45-day standard is beaten 80 percent of the time, to the satisfaction of farmers. In Brazil NGOs praise the Demonstration Project for its effective and

efficient disbursement mechanism, which has been established by an agreement with the Banco do Brazil.

In the Kenya Early Childhood Development Project, project funds for local NGO and CBO activities are to be "wholesaled" by government through a small number of established NGOs and foundations. These nongovernmental intermediaries have been carefully chosen for their probity, administrative capacity, and subject matter knowledge. While benefits of the approach have yet to be demonstrated, working in this way, smaller NGOs and CBOs will avoid the complexity and pitfalls of government payment procedures.

In several countries visited by OED, officials and NGOs noted the contrast between funding from bilateral and Bank sources. Bilateral donors' funding procedures were acknowledged to be simpler and more direct, and were often accompanied by technical assistance to facilitate the flow of funds. Donor efforts to oversee and audit NGO accounts rigorously were also acknowledged. These efforts help to raise NGOs' financial administrative capabilities in ways that Bank staff cannot, being chronically squeezed for time.²

Monitoring and evaluation

Regular monitoring and periodic evaluation contribute to the performance of projects with NGO and CBO involvement. M&E was done well in only a few projects, however. In Brazil's NRDP, NGOs in Rio Grande do Norte monitor subproject implementation and undertake independent evaluations of results. In India's Sodic Lands Reclamation, a professional group from the Indian Institute of Management at Lucknow provides monitoring and impact evaluation support to the PMU and the collaborating NGOs. In the Rural Water Supply and Sanitation Project in Uttar Pradesh, the PMU operates a results-based monitoring system that it updates frequently and uses to guide management. In IWDP in Gujarat, however, first-rate monitoring by an independent NGO was routinely ignored by project management to the detriment of implementation.

Communicating effectively

Working in partnership raises the demand for effective communication. In Biodiversity Conservation in Bolivia, systematic dialogue has contributed to overcoming deep-rooted mistrust of both NGOs and government agencies by communities in and around a national park in the Department of Santa Cruz. An

international NGO, CARE, has been critical in mediating this relationship, keeping lines of communication open and ensuring that questions are answered as they are raised. CARE's access to its own, independent funds has contributed to its effectiveness. In IPP8 in Hyderabad, NGOs have direct access to middle- and senior-level project managers, which contributes to effective working relationships and problem solving. Compared with other projects and departments, the staff of AIDS/STD Control and the Demonstration Projects in Brazil are open and accessible.

Hindering NGO or CBO Involvement

The most common factors that hinder NGO or CBO involvement in the Bank-assisted projects assessed by OED are low levels of borrower ownership of NGO or CBO activities; unrealistic expectations of unfamiliar NGO partners; lack of NGO/CBO participation, especially in project planning; ineffective management of NGO or CBO involvement, including excessive control, inflexibility, and inattention to detail; over-complex procedures; and the inability to keep project funds flowing to the NGO/CBO participants.

Low levels of borrower ownership

NGO and CBO involvement was expected in several Bank-supported projects without the government being fully on board, especially at the operating level. Agreements reached at senior levels by governments and the Bank before implementation are not always accepted or followed by lower-level managers. In Kenya's Second National Extension Project, managers in the implementing agency are openly divided about the relevance of CBOs, which were intended at project approval to be key players in implementation, resulting in minimal CBO involvement in practice. In Kenya, this is an opportunity missed since there are numerous self-help associations among farmers. Officials in India's Maharashtra Rural Water Supply and Sanitation Project, and in several projects in Mali, are unsympathetic to working with NGOs or CBOs. Others feel undue pressure by the Bank to involve NGOs or CBOs.

Unfamiliarity and lack of realism

In most of the projects OED assessed, appraisal documents indicated that NGOs would be involved in implementation before a realistic assessment of the NGO community had been made. Task managers on both the Bank and government sides assumed that appropriate

NGOs would be available to work in the projects under preparation. This reflects lack of familiarity with the NGO community and commonly leads to delays in implementation while relevant NGO partners are sought (as in IPP8 in Delhi), and to disappointment when competent NGO partners cannot readily be identified (as in the Maharashtra Rural Water Supply and Sanitation project). Lack of knowledge implies missed opportunities. In Mali's Second Health, Population, and Rural Water Supply Project (PSPHR), both the Bank and government acknowledge that NGOs would have been best suited for community mobilization, but their collaboration was not sought. Mali's Natural Resource Management (PGRN) would also have benefited from greater NGO involvement.

Unfamiliarity also affects the political sphere. Although the Bank, because of its statutes, must tread warily in such matters, the ability of all parties to recognize the political dimension is invaluable. Some governments characterize NGOs as their opponents or as agents of foreign financiers. In the Eastern Lowlands Project in Bolivia, the Bank found itself caught in a power struggle between strong agricultural interests and indigenous organizations claiming their rights. In Mali's Education Project the Bank apparently failed to recognize that many parents' associations were corrupt and were viewed by communities simply as money-collecting arms of government.

Lack of participation

Lack of participation relates closely to low levels of borrower ownership. The Education Sector Consolidation Project in Mali is an example where the participatory approach called for during preparation was not followed. NGOs that could have fostered participation were not involved as planned. Lack of parental participation during project design and implementation led to weak local ownership of community schools. As a result, classrooms (a community responsibility) have been built, but these are unlikely to be properly operated or maintained.

In India's Maharashtra Rural Water Supply and Sanitation Project, the NGOs recruited to promote local participation were engaged after project implementation was under way and when most of the new, village water supply infrastructure was in place,

Working in partnership calls for effective communication.

leaving little room for participation in decisionmaking by the affected communities.

In the Integrated Watershed Development (Plains) Project in Gujarat, the borrower implementing agency did not appreciate fully the potential benefits of participation because the involvement of NGOs was expected to bring only modest immediate gains. The contribution of a high level of local ownership to sustainability was not understood. Because the results of NGO involvement were defined narrowly (the short-run over the long-run), the benefits of participation were downplayed and the involvement of NGOs was discouraged.

Nonparticipatory restructuring of projects seriously affected CBO performance in Mali's Natural Resource Management Project. Top-down pressures were exerted to expand the project and make it comply with the norms of similar projects elsewhere and to increase its quantitative outputs. These pressures caused changes that were neither understood nor agreed at the local level in a project that depended on CBO participation for planning and implementation.

Unrealistic plans

Appraisal documents commonly state that NGOs will be involved in implementation: these documents rarely state which NGOs will be involved, what the NGOs will do, or what the arrangements for managing the relationship between the implementing agency and participating NGOs will be. Such projects include Arid Lands Management and Population Projects III and IV in Kenya; Public Works and Capacity Building (AGETIPE), Second Health, Population, and Rural Water Supply (PSPHR), and Education Sector Consolidation in Mali; Integrated Watershed Development (Plains) and Maharashtra Rural Water Supply in India; and Integrated Health Development and Social Investment Funds in Bolivia.

Over more than a decade, NGOs participated in large family planning projects in Kenya (Population Project III and IV) without being consulted during project design. Most of these organizations were sufficiently competent to adapt to the situations they faced and to perform their project-assigned tasks. In India's IPP5, the SAR named NGOs as potential partners from their public reputations, but without having consulted them. Virtually none of the NGOs named in the SAR were involved in project design or became involved in implementation.

In Bolivia's Eastern Lowlands Project, NGOs were involved in project design, but this was not a guarantee of realism. Working on sensitive land rights issues with

indigenous peoples, even with the best of intentions, requires a major investment of time to develop trust and understanding. The NGOs involved say that even after 20 years of work they still only know what not to do and that the original project design was unrealistic. Even if the NGOs had been given a reasonable opportunity to implement the project, it was unlikely that it would have achieved its ambitious targets in the time allotted. In social investment funds in Bolivia, however, NGOs were not involved in project design but were able to be effective during implementation because they were well chosen and were communicated with effectively.

Lack of information and communication

Inadequate information or poor channels of communication hamper project relationships with NGOs/CBOs and lower performance. When NRDP in Brazil was reformulated quickly and without civil society participation, many NGOs dropped out of the revised project because they had been excluded from the planning process. In the same project, CBOs that did not have complete information were more subject to manipulation by vested interests (political and otherwise) than CBOs that were well informed of their funding options. In Mali's Grassroots Initiative Project, the fragmentation of pilot-phase activities into many small contracts has meant that NGO work has been isolated and separated from the project effort.

Lack of attention to detail

To be successfully involved in project implementation, NGOs need to know how their services will be assessed, commissioned, and paid for. In several projects, NGO involvement started slowly because these details had not been worked out properly in advance. In the Sexually Transmitted Infections Project in Kenya, where NGOs were consulted during project design, the Development Credit Agreement failed to identify NGOs and CBOs as recipients of project funds and the memorandum of understanding concerning the flow of funds to NGOs and CBOs at the district level lacked the detail needed to be operational. As a result, two years after approval, efforts were still being made to rectify these shortcomings before any project funds could flow to NGOs.

Ineffective management of NGO involvement

Management of project relationships with NGOs is characterized by excessive control by project imple-

menting agencies, using narrowly defined contracts for work with NGOs that have often not been soundly recruited. In Mali, the centralized control evident in many government activities exacerbates this problem. In the pilot phase of the Grassroots Initiative Project, poor communications with regions outside the capital, coupled with limited devolution of decisionmaking authority, led to reluctance to slacken control of NGO activities, impeding the growth in real participation that is at the heart of this new project.

Excessively complex procedures

Complex procedures for hiring NGOs as contractors or consultants, and for keeping project funds flowing to NGOs after contracts are signed, are common NGO complaints. In all five countries visited by OED, NGOs said contracting procedures were too complex and demanding, financial reporting requirements too heavy, and procedures for transferring funds too complex and slow. Some of these criticisms stem from the NGOs' limited administrative capacities, which project designers failed to appreciate or to enhance. Other criticisms can be traced to the application of procedures originally designed for use by commercial companies to small, nonprofit groups.

In Brazil's AIDS/STD Control and Rain Forest Demonstration projects—two otherwise innovative

projects—NGOs and CBOs had difficulties with sub-project application forms and, in the former, NGOs found the reporting requirements onerous. In India's Uttar Pradesh Rural Water Supply and Sanitation Project, the PMU strove to simplify reporting requirements, to make them manageable by NGOs with limited staffing, communications infrastructure, and office equipment. In the Maharashtra Rural Water Supply and Sanitation Project, the NGOs complained that the contracts under which they worked were so restrictive that their ability to work effectively was impaired. Contracts for NGOs were divided into 18 small components, as set out in Table 4.1. Each project component had to be completed and accounted for before payment was made and the next component initiated. Payments did not match the proposed schedule because the contract was too complex to administer. The result was unnecessary paperwork and unhappy NGO contractors who were reluctant to continue their involvement with the project.

When Should NGOs or CBOs Not Be Involved in Bank-Supported Projects?

The study sought to identify situations when the Bank should not seek NGO or CBO involvement in a project because it was likely to be ineffective or disadvantageous to the stakeholders. Some NGOs consulted during project design believed that involvement could be disadvantageous when the difference in scale of operations between the Bank and NGOs might be overwhelming.

OED found three situations where involvement was potentially disadvantageous to NGOs. The first is when procedures are ill-adapted to NGO capacities. An example is family planning projects in Kenya, where the flow of funds was intermittent and the NGOs had either to use their own funds to prefinance project activities or reduce the level of service to their clients. By working with Bank-supported projects, NGOs were able to expand the aggregate level of service they provided, but their financial resources were stretched and the quality of service was put at risk.

Second, NGOs are put at a disadvantage when project support for their involvement is not sustained during or after implementation. In India's Fifth Population Project (IPP5), NGO health posts that had been opened with project support began to founder when the project closed and funding was withdrawn. The NGOs had expected government funding of their health posts

TABLE 4.1: AN EXAMPLE OF EXTREME CONTRACT FRAGMENTATION

| Payment (% of total contract value) | Activities to be Undertaken by NGOs in the Maharashtra Rural Water and Sanitation Project |
|--|--|
| 5 | Sign contract |
| 5 | Form village committee |
| 12 | Submit regular monthly reports |
| 3 | Submit village management plan |
| 4 | Appoint village water person |
| 4 | Train village water person in O&M and minor repairs |
| 2 | Visit of village committee to waterworks |
| 2 | Open bank account |
| 4 | Agree water tariff |
| 4 | Approve scheme budget |
| 5 | Form village training team |
| 5 | Approve drainage plan |
| 5 | Demonstrate sanitation techniques |
| 15 | Construct toilets for 25% of village |
| 5 | Meet teachers quarterly |
| 5 | Disseminate health messages to teachers |
| 5 | Organize school children |
| 5 | Produce prescribed visual aids |

Source: World Bank data.

to continue, but the government made no commitment to this. Ad hoc arrangements have been made to finance some NGO health posts in the short term, but there is no commitment to sustain them. As a result, some NGO health posts have closed and others have continued with reduced services. Overall, there has been a loss of credibility for the NGOs involved. A similar concern was voiced by NGOs that received funds under the AIDS/STD Control Project in Brazil. Project-based funds are inadequate mechanisms for financing services that are to be sustained.

Third, NGOs may be negatively affected when, because of internal Bank factors, Bank-supported projects impose unrealistically short timetables on processes such as scaling-up of NGO activities or participatory work with communities. Mali's Natural Resource Management Project (PGRN) suffered from this problem when the number of target villages was increased from 200 to 600 with little consultation.



Conclusions

Reliable Statistics

Through investment projects agreed with borrowers, the Bank provides substantial support for NGOs and CBOs. But the Bank’s main source of aggregate statistics does not provide a reliable picture of the status of NGO/CBO involvement in Bank-supported projects, nor does it describe results. Since it is based on appraisal documents, the Bank’s NGO database mainly records provision for NGO or CBO involvement, not actual involvement. The term “involvement” is interpreted widely and with little meaning. Discussions

with task managers and field missions indicate that substantive NGO and CBO involvement in projects is smaller than the NGO database suggests. Overstating NGO/CBO involvement in Bank-supported projects can lead to expectations that are unlikely to be fulfilled. OED finds that the NGO Unit has done a commendable job of maintaining statistics on NGO involvement on a limited budget. However, given the significance of the subject, the unit should be given the resources to manage a meaningful, results-based NGO information system developed from data from Bank operations.

Terms and Definitions

While the Bank’s NGO Unit is careful to distinguish NGOs and CBOs (as a type of NGO) in its database, many Bank references fail to make such distinctions, lumping very diverse types of organizations together. OED’s assessment indicates that CBOs are far more likely to be involved in Bank-supported projects than NGOs, and national NGOs more often than international NGOs. Since CBOs are usually membership organizations drawn from beneficiary populations, growth in their involvement is likely to enhance local

participation and may help target the poor directly if CBO membership is appropriate.

NGOs and CBOs Are Involved in the Right Sectors

Bank support for NGO and CBO involvement is provided to projects in those sectors, and for those activities, where their involvement is believed to have a comparative advantage. This includes social investment funds, and health and environment projects, where participation is expected to enhance project performance.

CBOs are far more likely to be involved in Bank-supported projects than NGOs.

The Aggregate Impact of NGOs

Analysis of aggregate Bank-wide data for completed (by OED performance records) and active projects (by the findings of supervision reports) indicates that provision for NGO or CBO involvement has no significant impact—positive or negative—on overall project performance. However, this finding is not surprising because actual NGO and CBO involvement

is limited in most projects, making a large effect unlikely. Project-by-project analysis is needed to determine if NGOs or CBOs are making a difference.

Funding Levels

The precise amount of funding provided to NGOs and CBOs through Bank-supported projects is not known. OED's survey of seven countries with significant provision for NGOs and CBOs suggests that substantial sums have been approved for activities that include their participation. Most of these funds actually support work by CBOs (about \$715 million was approved for

CBOs between FY85 and FY97, or 80 percent of the total approved for all NGOs and CBOs). NGOs are expected to receive only a small proportion of all project funds: 5 percent

for national organizations and 1 percent for international organizations. Most funds for NGOs and CBOs (82 percent) come from the IBRD; the remainder from IDA. It is important to note, however, that successful NGO contributions were made in several projects without the NGO receiving any project funds. In these cases, the NGOs contributed financially to the project, maintained their independence, and were not subject to the erratic flow of project funds that was common elsewhere. But few NGOs have the financial ability to be involved in projects in this way.

Funding Volume Matters Less than the Smooth Flow of Funds

The overall level of Bank funding for NGOs and CBOs does not appear to limit their performance. In the countries surveyed by OED, only 84 percent of IBRD/IDA funds approved for use by NGOs/CBOs were actually disbursed. But since project funds for use by NGOs/CBOs often fail to flow smoothly, disbursement levels may be a poor indicator of need. Project funds from third parties, notably bilaterals and foundations, are more valued by NGOs because they usually flow directly, with fewer opportunities for misappropriation and fewer interruptions.

Conclusions from Individual Projects Assessed by OED
NGOs and CBOs can make a positive difference to project performance. Appropriate and strong NGO/CBO involvement can contribute significantly to the

success of Bank operations. Overall, the difference they make appears to be limited, but growing.

In some projects, NGOs and CBOs are clearly indispensable. In 5 of the 28 well-established projects assessed, NGOs and CBOs make invaluable contributions to project success. These five are: in India, the Sodic Land Reclamation in Uttar Pradesh, the Integrated Watershed Development in Rajasthan, and the Hyderabad component of the Eighth Population Project; and in Brazil, a significant part of the AIDS/STD Project and the Rio Grande do Norte Project of Northeast Rural Development. None of these projects would have been possible without the innovation and competence of the NGOs and CBOs involved and the demonstrated capacity of governments to work with them.

Most recent projects assessed have good potential. Six of nine recent projects assessed show potential for success because their preparation and early implementation were skillfully managed and are highly participatory. Notable among these are the Uttar Pradesh Rural Water Supply and Sanitation Project; the Demonstration Projects of the Pilot Program to Conserve the Rain Forest in Brazil; and Bolivia's Rural Communities Development and Rural Water and Sanitation projects. Kenya's Arid Lands Resource Management Program is building on the foundation set by the earlier emergency project, and the Early Childhood Development Project has a number of features that mark it as especially innovative, and as a potentially important project to be monitored and evaluated carefully.

In half the projects assessed, the effect of NGO and CBO involvement has been unsatisfactory. In 19 of 37 projects, the effect of NGO or CBO involvement was rated as unsatisfactory. In a small number of projects, unsatisfactory NGO involvement worsened relations between governments and NGOs. Examples include India's Fifth Population Project, Kenya's Sexually Transmitted Infections Project, and Bolivia's Eastern Lowlands Natural Resource Management and Agricultural Production Project. Other projects represented missed opportunities, such as the failure to work with CBOs in Kenya's Second National Extension Project, or with NGOs in Mali's Second Health, Population, and Rural Water Supply (PSPHR) Project.

Learning from experience . . . but not always. Some projects clearly benefited from experience. In India, the Eighth Population Project (IPP8) has learned numerous lessons from IPP5 (Sodic Lands Reclamation), built directly on the experience of the principal

NGO involved; and the design of the Rural Water and Sanitation Project in Bolivia is based on a pilot that worked with NGOs at the grassroots. In Mali, however, the Education Sector Consolidation Project failed to pick up on the experience of leading NGOs at work in the country (Save the Children and World Education) and the bilateral agency that supported them (the United States Agency for International Development).

Consistent approaches to NGOs and CBOs are lacking. While Bank staff are willing to work with NGOs, the Bank lacks country or sector strategies for working with the organizations. Work within countries, across projects, and even within the same sectors lacks consistency. Whether NGOs are involved early in projects, whether NGOs are recruited on their capability and experience, whether contracts and procurement are tailored as closely as possible to NGO capabilities, and whether monitoring or evaluation are done—all vary widely. Bank and borrower management of project dealings with NGOs/CBOs lacks professionalism.

NGO and CBO experience and independence count. The most productive project relationships are with confident NGOs, with experience, recruited objectively, involved early in project design, and that work with borrower agencies that acknowledge their value and manage the relationship professionally. The Integrated Watershed Development in Rajasthan is an example of government working successfully with CBOs directly.

Demand for experienced NGOs exceeds supply. Overall, the demand for competent NGOs willing to work in Bank-assisted development projects appears to exceed the supply. Too many project designs create opportunities for NGO or CBO involvement before it has been determined if there is a “supply” of relevant NGOs or CBOs. Too often the process for identifying and recruiting NGOs before project approval is informal. For these reasons, it should be expected that, the pace of growth of involvement of NGOs and CBOs in Bank-supported projects will be modest.

In the Bank, individuals count. Involving NGOs or CBOs in every project constitutes a unique effort; that is, participation has to be tailored to the opportunity. The Bank’s ability to do this successfully is often attributable to the efforts of individual staff. Two good examples include India’s Sodic Lands Reclamation Project, which was redesigned following a critical peer review by Bank staff who knew the Indian NGO community intimately, and the Uttar Pradesh Rural

Water Supply and Sanitation Project, which was redesigned by a newly appointed task manager at almost the last minute in order to make essential community participation feasible.

Results are difficult to discern. Monitoring and evaluation (M&E) of NGO and CBO activities is weak. There are a few significant exceptions to this, including the Uttar Pradesh Rural Water Supply and Sanitation Project, which has a dedicated monitoring cell in the project management unit, and the Sodic Lands Reclamation Project, which has an efficient monitoring cell, backed up with technical assistance from the Indian Institute of Management. Equally important, there are projects where good monitoring is done, but ignored, as in the Gujarat component of India’s Integrated Watershed Development Project (Plains).

Weak M&E originates with poorly structured projects that are not results-oriented and in which the contribution expected from NGOs or CBOs is not clearly identified. This leads to an absence of indicators and a low priority for M&E, exacerbated by the lack of experience of project management units and NGOs. Where NGO involvement aims to empower communities, M&E is conceptually difficult. In IPP8, in Hyderabad, the project is having an empowering effect on women that is not yet being captured by the M&E system.

Cost-effectiveness. Few projects with NGO or CBO involvement keep sufficient data to enable the cost-effectiveness of involvement to be assessed or compared with projects without NGO or CBO participation. The evaluation of Kenya’s Third Population Project by the U.K. Overseas Development Administration (now the Department for International Development) concluded that NGOs were more cost-effective than government in expanding the demand for family planning services, but not in the provision of those services (admittedly of higher quality than government-provided services). In Bolivia’s Integrated Health Development Project, NGOs were shown to be more cost-effective than government in reaching women in low-income areas with maternal and child health care services. This was attributable to the NGOs’ capacity for innovation and flexibility.

Drawing on existing NGO capacity. Bank-supported projects tend to employ NGOs through contracts

Participation has to be tailored to the opportunity.

as facilitators of community action and as service providers. CBOs are most often mobilized with grants for community-level construction, operation, and maintenance of small investments in infrastructure or natural resources. Projects may provide resources that build the capacity of CBOs (such as water users' associations in irrigation projects or committees to protect community forests), but they rarely provide resources to build NGO capacity. Instead, projects draw on the NGOs' existing capacity.

Government contracts are sometimes disadvantageous for NGOs. Many NGOs have reservations about accepting contracts from governments. Their reservations may be ideological or practical. Accepting funds from governments may reduce NGOs' credibility with their clients and their supporters and have a chilling effect on their ability to have a critical relationship with government. Contracts are often tightly drawn, providing limited allowance for overheads and little room

for flexible implementation. NGOs accept these contracts because they are often dependent on projects for operating funds, but many do so reluctantly.

Erratic flow of funds. The flow of funds to NGOs and CBOs in most projects is slow and erratic. The problem lies mainly in the complexity of government payment procedures and the limited administrative capacities of NGOs and CBOs. A few projects make significant efforts to overcome these problems. Good examples include the Demonstration Projects in the Pilot Program to Conserve Brazil's Rain Forest, where

government works through a commercial bank to disburse funds at the community level, and the Rajasthan component of the India Integrated Watershed Development Project, where the state Land Development Corporation efficiently transfers funds to CBOs. Use of bilateral cofinancing also reduces bottlenecks, as in Kenya's Population III.

Sustainability. The sustainability of services provided by NGOs under World Bank-supported projects is rarely addressed. In seven projects in the health and education sectors in Brazil, Kenya, India, and Mali, no commitments were made to continue financial support for services provided by NGOs after the projects closed. In these projects, the services are unlikely to be sustained unless new, project-based funds are made available. In Mali's AGETIPE, large numbers of community infrastructure projects have been built with little hope of sustainability because local ownership is lacking. In one project, the Hyderabad component of IPP8, efforts are being made to empower clients and raise their incomes and, hence, their ability to demand attention from the health service.

Good practice is not yet the norm. Borrowers, NGOs, CBOs, and the Bank are learning how to work together. While there are outstanding examples of good practice that produce results, these are not yet the norm. Too much depends on individuals who are working without Bank-wide support or country-level strategies. Where NGO or CBO involvement in Bank-supported projects works well, managers from all sides are doing many things well from inception to completion. But it takes only a few errors—of omission or commission—for NGO or CBO involvement to work poorly.



Recommendations

Success is possible. Experience indicates that strong NGO/CBO involvement significantly contributes to project success, especially in providing benefits and opportunities for participation by the poor and the marginalized. However, the record is mixed: NGO/CBO involvement varies greatly in depth and quality, and the Bank and borrowers give too little attention to factors critical to success, such as the environment for NGOs/CBOs, NGO capacity, and the use of appropriate business practices. NGO/CBO selection for a project is often

haphazard, and based on a superficial knowledge of a country's civil society. As a result, opportunities to benefit the poor are missed. At the same time, expectations have been raised high, and the Bank's credibility rests on translating the language of partnership with NGOs/CBOs into practice. Thus, it is time for a more effective approach by the Bank and its partners to involve NGOs/CBOs in Bank-financed operations. Therefore, OED makes the following recommendations.¹

Partnerships

The Bank has much to learn from others and has not sufficiently tapped existing sources of expertise. Thus, the Bank should:

- Develop strategic partnerships (both operational and advisory) with donors, foundations, and others with comparative advantage in knowledge and experience of working with NGOs.

Supportive Environments

A supportive environment for NGOs and CBOs requires both an appropriate legal framework and a willingness

among government managers to join them in partnerships. Thus, the Bank should help borrowers to:

- Encourage supportive environments for NGO/CBO partnerships through policy dialogue reflected in Country Assistance Strategies.
- Improve the policy environment and promote good practice in laws regulating NGOs/CBOs.²

Capacity Building

Limitations in the Bank's own capacity inhibit its ability to support borrower partnerships with NGOs and CBOs. To equip itself to promote such partnerships, the Bank should improve significantly, in specific country contexts, its understanding of NGOs/CBOs and their relations with borrowers. Thus, the Bank should:

- Help NGOs/CBOs in each country understand the Bank and how it works.
- Train Bank task teams to work inclusively with borrowers, NGOs, and CBOs, and to apply the Bank's existing policies and procedures for involving NGOs/CBOs.

- Recruit country NGO specialists and liaison officers on merit, clearly define their roles and responsibilities, and upgrade their skills.
- Equip the Bank's NGO Unit to become a responsive source of policy and operational guidance and standards for country and task teams in consultation with the regions.

Where borrower capacities to work with NGOs and CBOs are limited, the Bank should:

- Help borrowers to assess how their capacity for partnerships with NGOs/CBOs can be strengthened.
- Help borrowers to determine when NGO/CBO partnerships are "win-win" situations.
- Explore the use of adaptable lending instruments, especially Learning and Innovation Loans, to develop borrower readiness for partnership with NGOs/CBOs.

The Bank must recognize that NGO/CBO capacities for partnerships with borrowers are often limited, and untied resources for institutional development of NGOs/CBOs are scarce. If effective partnerships are to grow, resources are needed to build NGO and CBO capacities that are unrelated to projects.³ Thus, the Bank should:

- Train task teams to assess NGO and CBO capacities realistically.
- Collaborate with donors, foundations, and others to explore how their resources can be applied to expand NGO and CBO capacities for partnerships with borrowers.
- Assess with borrowers when resources for NGO/CBO capacity building can judiciously be included as part of project finance.
- Train NGOs/CBOs in the business practices of projects.

Be Participatory When NGO/CBO Partnerships Are Envisaged

When borrower partnerships with NGOs/CBOs are envisaged, project preparation should be inclusive and participatory. Thus, the Bank should help borrowers:

- Establish a clear rationale for NGO/CBO involvement.

- Mainstream funds for NGO/CBO participation in project preparation, and reduce reliance on trust funds.
- Identify and recruit NGO/CBO partners on their demonstrated competence.
- Engage relevant NGOs/CBOs early in the project design process.
- Reach agreement early on the rules of the partnership and include them in the Project Implementation Plan.

Projects should be implemented flexibly to avoid overwhelming NGOs or CBOs with Bank procedures that were developed for larger, for-profit partners. Thus, the Bank should help borrowers and train its own staff to:

- Employ fully the flexibility that exists in Bank procedures with respect to working with NGOs/CBOs, such as for consultancy and procurement.
- Further simplify business procedures without loss of transparency or accountability.
- Provide guidelines for reasonable overheads for contracts with NGOs.

Interruptions in funding commonly hamper partnerships between borrowers and NGOs/CBOs. Thus, the Bank should:

- Help borrowers design, apply, and monitor simple and accountable mechanisms for the transfer of funds to NGOs/CBOs.
- Help borrowers explore the efficient use of private sector and nongovernmental intermediaries to wholesale project funds to NGOs/CBOs.

Monitoring and Evaluation, and Knowledge Management

NGO and CBO involvement in projects is rarely monitored, reducing the effectiveness of project management and limiting the scope for evaluation. Thus, the Bank and borrowers should:

- Ensure that NGO/CBO participation is monitorable before project approval.
- Make monitoring of NGO/CBO activity simple and low-cost.
- Provide incentives to do monitoring.
- Make evaluations of partnership activities joint exercises.

- Seek to capture beneficiary views routinely in monitoring and evaluation.
- Disseminate good M&E practice.

Institution-wide, the Bank should:

- Develop a new Bank NGO database that compiles reliable country data on actions planned, actions taken, resources applied, and results achieved.

Given the clearly substantial volume of IBRD and IDA funds earmarked for use by NGOs/CBOs in projects, the Bank should develop more reliable knowledge of actual funding for NGOs/CBOs.

ANNEXES

ANNEX A: APPROACH PAPER: THE CONTRIBUTION OF NGOS IN WORLD BANK-SUPPORTED PROJECTS

Introduction and Rationale

Nongovernmental organizations—NGOs—are important actors in development. About 15 percent of official development assistance is channeled through NGOs, amounting to some US\$9 billion annually. NGOs are also important to Bank-supported projects. Since 1989, Bank policy has encouraged the involvement of NGOs, particularly local NGOs, in project design and implementation, including monitoring, evaluation, and training.¹ But little is known about the contribution of NGOs to project performance or the effects on NGOs of working with governments and the Bank.

The hallmark of success of Bank-supported operations is sustainable development impact. The Bank's ability to support this aim is increasingly dependent on NGOs, and on effective NGO partnerships with governments and the Bank. An improved understanding of the processes and outcomes associated with working with NGOs would help the Bank decide when involvement with NGOs is likely to be beneficial. Borrowing governments and NGOs would also benefit from an improved understanding of each other's operational strengths and weaknesses.

This study will assess the contribution of NGOs to the performance of Bank-supported projects. The study has been designed in consultation with the NGO–World Bank Committee, which will be consulted during study implementation. Comments on the draft study design have been sought from national and international NGOs, the Bank's NGO liaison staff in resident missions, and Bank staff at headquarters with special responsibilities for NGOs and participation. Following CODE's endorsement, the design will be shared with the governments of countries where case studies are planned.

The Extent of Bank-NGO Relations in Operations

NGO involvement in Bank-supported operations grew steadily over more than two decades, and has increased sharply since 1989. NGOs are involved in 50 percent of projects approved by the Bank in FY94, in 41 percent of projects approved in FY95,² and in 48 percent of projects approved in FY96.³ By FY96, NGOs were involved in more than 720 projects.⁴ But the extent of NGO involvement varies from minimal to substantial, and while the Bank's NGO database records *actual* NGO involvement during project preparation, it records only *intended* NGO involvement during

project implementation.

Two-thirds of Bank-supported projects with NGO involvement (almost 500 projects) are in the agriculture, health, and social sectors. Seventy percent of these projects have been approved since 1990. Regionally, the highest incidence of projects with NGO involvement is in Africa (321 projects, or 44 percent of the total), followed by Asia (200 projects, or 28 percent of the total), and LAC (133 projects, or 18 percent of the total).

The commonly cited reasons for involving NGOs in Bank-supported projects are to promote participation, as a source of expertise, and as a means of targeting beneficiaries and improving cost-effectiveness. Of the 122 projects with NGO involvement approved in FY96, NGOs are more likely to be involved in project implementation (65 percent) and operation and maintenance (73 percent) than in project design (43 percent). Recent projects with NGO involvement are also more likely to be aimed at poverty reduction (68 percent) and environmental management (43 percent) than at other objectives. Among FY96 projects with NGOs, 53 percent involved community-based organizations (CBOs), 74 percent involved national NGOs, and 15 percent involved international NGOs.

Study Objective and Expected Outcome

The objective of this study is to assess the contribution NGOs make to development effectiveness. The study will focus on project outcomes, the processes that explain those outcomes, and the side-effects of NGO involvement.

The Bank claims that partnerships between NGOs, borrowers, and the Bank contribute to poverty reduction and sustainable development impact.⁵ Thus, the starting point for this study is the question:

- Does NGO involvement increase the development effectiveness of projects supported by the Bank?

A comprehensive response requires answers to the following questions:

- If NGO involvement improves the performance of World Bank–supported projects, where, how, and under what circumstances is this achieved? And what can the Bank do to strengthen good performance further?

- If NGO involvement does not improve the performance of Bank-supported projects, or if improvement is achieved only at a high cost, what constrains NGO performance? And what can the Bank do to relieve these constraints?
- Are there circumstances when NGO involvement in Bank-supported projects should not be sought, because it is likely to be ineffective or disadvantageous for the stakeholders?

Thus, the study aims to produce findings that are operationally relevant. Operational relevance will be sought by asking stakeholders—NGOs, borrowers, and the Bank—what they believe supports or constrains performance in Bank-supported projects; by focusing the study on the lessons of experience; and by identifying best practices.⁶ The study will examine completed projects and projects under implementation, and develop recommendations based on its findings.

In support of this pragmatic focus, the study would provide guidance for such operational policy questions as:

- What do NGOs contribute most to project performance?
- For what types of projects are NGOs best suited?
- Are some types of NGOs better suited to certain kinds of projects?
- How should NGOs be identified to participate in Bank-supported projects?
- When and how should NGOs become involved in Bank-supported projects?
- What encourages effective NGO involvement in Bank-supported projects?
- What constrains effective NGO involvement in Bank-supported projects?
- How are NGOs affected by involvement in Bank-supported projects?

Main Study Hypothesis

From the perceived comparative advantage of NGOs and OED performance criteria, working hypotheses can be defined for this study that address when and how NGOs are most effectively involved in Bank-supported projects. Recognizing that NGO involvement in Bank-supported projects is extremely varied in practice, the main study hypothesis is that:

- The effectiveness of NGO involvement in Bank-supported projects (or project components or tasks) is the product of the interaction of (i) the environment for NGOs in the country; (ii) the relationships among NGOs, governments, and the Bank; and (iii) the capacities of NGOs to make relevant and timely decisions about policies, priorities, and resource allocations in their dealings with their funders, their operating partners, and their clients.

This hypothesis will be tested in three ways. First, the study will assess quantitatively whether borrowers and the Bank have involved NGOs in the projects and places, and at the times, where NGO experience and comparative advantage was relevant and timely. For example, if NGOs have a comparative advantage in reaching the poor, has the Bank involved NGOs in projects targeted at the poor?⁷

Second, through country case studies, the efficacy and efficiency of projects (or project components) with NGO involvement will be assessed by evaluating the extent to which such projects (or project components or tasks) achieve their stated objectives and are cost-effective. Each country case study aims to include at least four projects with substantial NGO involvement. Whenever possible, projects *with* NGO involvement will be evaluated against comparable projects *without* NGO involvement.

Third, the study will assess how NGO involvement contributes to institutional development and sustainability through the case studies. Again, whenever possible, similar projects *with* and *without* NGO involvement will be compared.

Recognizing the difficulty of generalizing from case studies, countries for study will be chosen to reflect the breadth of the Bank's relationships with NGOs, to test the study hypotheses, and to support findings about best practices.

NGOs able to do applied field research, and independent research groups recognized by NGOs, will be chosen to partner OED in the preparation of the country case studies and the assessment of beneficiary views on project performance.

ANNEX B: NGOs, CBOs, AND NON-PROFIT FOUNDATIONS CONSULTED BY OED IN THE FIELD

BOLIVIA:

AIPE
 AJARI
 APCOB
 CANOB
 CARE (Bolivia)
 CERES
 CIDCRUZ
 CPESC
 Fé y Alegria
 FEPADE
 FUNDAGUA
 IFFI
 LIDEMA
 Mision Nuevas Tribus
 Proceso
 PROCOSI
 Small Farmer Union Central
 SOCODEVI
 SONU
 South American Mission
 TINKU
 UNITAS
 Women's Association, El Torno

BRAZIL:

Associação de Apoio as Comunidades do Campo (AACC)
 ASPTA
 ASSOCENE
 Associação do Assentamento Marajó, João Camara
 Associação Brasileira de ONGs (ABONG)
 Associação Comunitaria de Assunção, João Camara
 Associação Interdisciplinar Brasileira de AIDS (ABIA)
 Associação Saude da Familia (ASF)
 Centro Social Dom Bosco, Taipú
 Centro de Treinamento Tipití, Abaetetuba
 Cooperativa Agricola dos Pequenos Produtores Rurais do Povoado Pedra
 Espaço Aberto
 Federação de Orgãos de Assistência Social e Educacional (FASE)
 The Ford Foundation
 Forum do Campo do Potíguar
 Friends of the Earth
 Grupo de Trabalho Amazonico (GTA)

Instituto do Homem e Meio Ambiente da Amazônia (IMAZON)
 Instituto Sócio Ambiental (ISA)
 Instituto de Estudos da Religião (ISER)
 Instituto Sociedade, População e Natureza (ISPN)
 SEAPAC
 Instituto Rede Brasileira Agroforestal (REBRAAF)
 Rio de Janeiro AIDS NGO Forum
 Rede Mata Atlantica (RMA)
 São Paulo AIDS NGO Forum

INDIA:

ActionAid (India)
 Development Support Centre, Ahmedabad
 ERA, Pune
 Foundation for the Public Interest, Ahmedabad
 The Ford Foundation, Delhi
 Gramayan, Pune
 GRID, Ahmedabad
 Institute for Management Training and Research, Aurangabad
 Institute of Social Work and Research, Ahmednagar
 Jankidevi Bajaj Gram Vikas Sanstha, Pune
 KVK-Farm Science Centre, Udaipur
 NEED, Lucknow
 Population Foundation Institute, Delhi
 The Population Council, Delhi
 PRADAN, Delhi
 PRAYATN, Delhi
 PSU Foundation, Lucknow
 SAMPARC
 Sarvodaya Ashram, Hardoi
 SEWA, Ahmedabad
 Seva Mandir, Udaipur
 Shri Buhveneshri Mahila Ashram, Theri
 Tata Foundation, Mumbai
 Tata Institute of Social Studies, Mumbai
 Uttranchal Youth and Rural Development Center, Gharwal
 VBKVK - Working Group on GO-NGO Research Collaboration
 Vigayan Samity, Udaipur

KENYA:

ActionAid (Kenya)
African Inland Church
African Muslim Agency (AMA)
The Aga Khan Foundation (Kenya)
The AIDS NGO Consortium
CPK
Crescent Medical Aid Society
Emergency Pastoralist Assistance Group (EPAG)
Farm Africa
Family Planning Association of Kenya
Family Health International
The Ford Foundation
Joint Reconstruction and Rehabilitation Services (JRRS)
Macumo Extension Service
The NGO Council
Oxfam (UK/I) Kenya
The Population Council
Seventh Day Adventist Health Service
Small-Scale Irrigation Support and Development
Organization
Wajir Volunteer Group
World Neighbours

MALI:

AED - Association d'Entraide et Developpement
AFAR
Agence Evangelique du Developpement du Mali/
World Relief
AFVP
AMADE
CARE, Mali
Centre Canadien d'Etudes et de Cooperation
Internationale (CECI)
Comité de Coordination des Actions des ONG au
Mali, CCA/ONG
ENDA - Action Santé Femmes Enfants
GUAMINA
IUCN
OMAES
PASACOP - Djenne
Save the Children, UK
Association Communautaire Sebenikoro (ASACO-
SEK)
United Nations Volunteer Service
World Education

ANNEX C: SUMMARY OF FIELD-BASED PROJECT OBSERVATIONS

| Country, Project, Credit Number, and Approval Date | Intended NGO/CBO Involvement | Actual NGO/CBO Involvement | NGO/CBO Contribution |
|---|---|---|--|
| KENYA | | | |
| Emergency Drought Recovery (EDRP) Cr. 2460 (1993) | Local-level coordination of implementation by NGOs, including construction, operation, and maintenance of local infrastructure, mainly boreholes, by CBOs (in the form of herder associations). | An emergency project. NGOs not involved in design. In implementation, NGOs mediate relations between local government and CBOs and guide CBO development. CBOs construct and operate local infrastructure and manage pastoral issues. Less involvement than expected at appraisal. | Small but significant for local institutional development. The project adopted an approach to managing pastoral resources pioneered by Oxfam. The NGO's approach has been adopted by government. NGOs indispensable as catalysts and mediators. CBOs acquiring skills in pasture, waterhole, and infrastructure management in arid areas. Relations between pastoralists and government made productive by NGOs. |
| Arid Lands Resource Management (ALRMP) Cr. 2797 (1996) | NGOs to participate in district-level steering committees. NGOs and CBOs to identify, plan, and implement community development activities. | NGOs involved in design. Limited progress in first year of implementation despite involvement and prior experience (EDRP) because practical details of association with government remain to be worked out. | Limited. NGO and CBO expectations raised by involvement in design, but no tangible results to date. |
| Population III Cr. 1904 (1988) | Six NGOs to provide information, education, and communications (IEC) or family planning (FP) services. Special projects fund (\$500,000) established for NGO initiatives. | NGOs not involved in project design, despite involvement in prior project (Population II). NGOs provide IEC and FP services largely as planned but overall performance is mixed. Project outcome rated unsatisfactory in ICR, with negligible institutional development and uncertain sustainability. Serious funding delays slow implementation. | Substantial. NGOs expand their role as major providers of IEC and FP services. Clients rate quality of NGO services higher than those provided by government. Fees charged by NGOs deter the poorest. NGOs worked as sole providers in underserved areas and offered choice in some areas served by government. NGOs able to expand demand for FP services more cost-effectively than government. Inadequate M&E: unable to demonstrate impact on fertility. |
| Population IV Cr. 2110 (1990) | Four NGOs to provide IEC and family planning services. | NGOs not involved in project design, but provide IEC and FP services. | Substantial. Established FP NGOs continue to act as major providers of IEC and FP services. Quality of NGO services higher than government's, but provided at a fee. NGO and government services seen by both parties as complementary. Inadequate M&E: unable to demonstrate impact on fertility. |

ANNEX C: SUMMARY OF FIELD-BASED PROJECT OBSERVATIONS (CONTINUED)

| Country, Project, Credit Number, and Approval Date | Intended NGO/CBO Involvement | Actual NGO/CBO Involvement | NGO/CBO Contribution |
|--|--|---|---|
| National Extension I (NEP I) Cr. 1379 (1983) | None. | Some involvement of CBOs in place of contact farmer approach in training and visit (T&V) system. | Minimal. Opportunity to work with farmer self-help associations (CBOs) identified during implementation but not seized. |
| National Extension II (NEP II) Cr. 2199 (1991) | CBOs to provide vehicles for farm extension workers to transmit extension messages. No NGO involvement planned. | Very limited involvement of CBOs. Continued preference for work with contact farmers. NGOs become involved on their own initiative. | Minimal. Opportunity to expand agricultural extension through CBOs is largely missed. NGO involvement has positive local impacts on productivity and income among poor farmers and in areas of low agricultural potential because NGOs target their work. |
| Sexually Transmitted Infections (STIP) Cr. 2686 (1995) | Involve NGOs early. Create an NGO-CBO-government forum to coordinate work on HIV/AIDs and STIs (sexually transmitted infections). | NGOs involved thoroughly in project design. Implementation stalled by lack of agreement on detailed memoranda of understanding among government, NGOs, and CBOs, and omissions in development credit agreement. | None to date. No results two years after project approval. NGOs frustrated by lack of implementation progress, despite consultative preparation, due to lack of attention to essential detail. |
| Early Childhood Development (ECDP) Cr. N015 (1997) | Involve experienced NGOs and foundations early. Fully participatory design. NGOs and foundations to help finance project, wholesale funds, and provide technical assistance. CBOs to implement at local level. | NGOs and foundations fully involved in participatory and innovative design. Detail of relationships among partners agreed in advance. Sophisticated plans made for M&E. | Too soon for results. Exemplary preparation. NGO and foundation partners chosen purposefully. M&E plans under implementation. |
| MALI Natural Resource Management (PGRN) Cr. 2370 (1992) | Early involvement of NGOs and CBOs for preparation and implementation, based on GTZ experience. CBOs to prepare and implement local resource management plans. NGOs to organize CBOs, mediate relations with government, and provide technical assistance. | A promising start, but limited follow-through. No conceptual limits to NGO involvement, but little happening in practice. CBOs are beginning to make and implement natural resource management plans. Different approaches to work with CBOs taken in Bank- and cofinancier-funded districts. | Minimal contribution of NGOs. Some contributions by CBOs. A gap between planning and implementation. Top-down pressure for quantitative results and coverage fails to bring ownership. Early model (GERENAT project) not built on in the project's efforts to "scale-up." |

ANNEX C: SUMMARY OF FIELD-BASED PROJECT OBSERVATIONS (CONTINUED)

| Country, Project, Credit Number, and Approval Date | Intended NGO/CBO Involvement | Actual NGO/CBO Involvement | NGO/CBO Contribution |
|--|--|--|--|
| Second Health, Population, and Rural Water Supply (PSPHR) Cr. 2219 (1991) | Involve NGOs early and plan community mobilization (CBO involvement) early in implementation. NGOs to foster participation: CBOs (in the form of community health associations) to operate and manage local health centers. A special fund (FASEF) would support NGO activities in population. | NGO involvement in planning and implementation has been minimal. CBO formation evolving slowly. Implementation of FASEF was slow and problematic. Between 1991–96, only 7 percent of the FASEF budget was disbursed. | Limited NGO involvement. Takes place only where competent NGOs pre-date the project. The presence of potential NGO partners was overlooked or overestimated. CBO involvement more substantial. More than 60 community health associations formed serving more than 600,000 people, but sustainability uncertain. Some positive impacts on family planning work by NGOs and CBOs. |
| Education Sector Consolidation (PCSE) Cr. 2054 (1989) | NGOs and CBOs (in the form of parents' associations, or PAs) involvement planned. NGOs expected to facilitate organization of communities to build, operate, and maintain community schools. PAs to build and operate the schools. | Virtually no NGO involvement in planning or implementation. CBO involvement limited. | Negligible NGO contribution. Project underestimated the capacity of NGOs and misjudged the role of PAs. The Bank did not build on the results of the pilot action it cofinanced. Limited local ownership. |
| Public Works and Capacity Building (AGETIPE) Cr. 2371 (1992) | NGOs to facilitate community involvement in planning and implementing small-scale infrastructure to create employment. | NGOs are not involved by AGETIPE. The local partner is the local government. AGETIPE sees itself as an NGO, when it is a government agency with broad private sector membership on its board and non-profit status. | None. The potential of NGOs to facilitate maintenance of infrastructure put in place by AGETIPE is acknowledged but not implemented. In the absence of local ownership, sustainability of infrastructure acknowledged to be in doubt. |
| Agricultural Services (PNVA) Cr. 2235 (1991) | CBOs (in the form of village associations) to be channels for agricultural extension messages and targets for functional literacy. | CBOs hardly involved. Extension workers meet farmers in small contact groups. Functional literacy not well implemented. A foundation-backed project (Sasakawa Global 2000) is working in 10 villages to promote credit uptake for community development. | Minimal contribution. Negligible effect. |
| Project de Consolidation des Action Paysannes (PCAP) | A small (\$2.3 million) Norwegian trust fund providing grants to CBOs in support of locally identified economic and social development initiatives. | Significantly delayed initially, but then implemented largely as planned. | Satisfactory. CBOs cost-shared and implemented local development projects. Not targeted at poor. Sustainability uncertain. |

ANNEX C: SUMMARY OF FIELD-BASED PROJECT OBSERVATIONS (CONTINUED)

| Country, Project, Credit Number, and Approval Date | Intended NGO/CBO Involvement | Actual NGO/CBO Involvement | NGO/CBO Contribution |
|--|--|---|--|
| Grassroots Initiative Project to Fight Hunger and Poverty (PAIB) | Highly participatory design and implementation. NGOs to be fully involved in action learning through pilot phase (1995–97). NGOs to help communities develop proposals for local development projects. Build NGO capacity. | NGOs fully involved in pilot phase, but heavy emphasis placed on village-level infrastructure contracts implemented by private sector companies. NGOs are contract coordinators and mediators. | Limited to date. NGO contribution uncertain in pilot phase. Project tasks have been reduced to numerous small contracts coordinated by NGOs. Not yet capitalizing on NGOs' comparative advantage. Community participation beginning slowly. Capacity building still to come. |
| INDIA Uttar Pradesh Sodic Lands Reclamation Cr. 2510 (1993) | Involve NGOs throughout the project, from planning to monitoring. Involve intermediary NGOs between government and beneficiaries. Involve grassroots NGOs to help organize and train communities. | NGOs and CBOs involved as planned. Plans for NGO and CBO involvement introduced late in project preparation when it became apparent that without NGO and CBO organization, participation would not take place. | Substantial. NGOs operate in nine districts to help communities plan and implement land reclamation pioneered by an NGO. CBOs (in the form of user groups) allow beneficiary participation. User groups organized into site implementation committees, making decisions and coordinating implementation. |
| Integrated Watershed Development (Plains) (IWDP)—Rajasthan and Gujarat components Cr. 2131/Ln. 3197-IN (1990) | Involve NGOs to mobilize CBOs (in the form of village organizations) for soil and water conservation, and provide technical assistance. | NGOs not involved in design. Limited and unsatisfactory government-NGO relations in implementation in Gujarat. In Rajasthan, the government avoided the large NGO community but developed strong and effective links with village-level CBOs. | Modest NGO contribution in Gujarat. Involvement growing as project approaches completion. Relations between NGOs and government improving. Substantial CBO contribution in Rajasthan. CBOs, in the form of village user groups, highly effective. 140 user groups active in 200 villages, and 53 watershed treatments completed. |
| Uttar Pradesh Rural Water Supply and Sanitation Cr. 4056-IN (1996) | Involve NGOs as intermediaries to help organize communities as CBOs able to plan and implement local water supply systems. | NGO and CBO involvement being built up incrementally as planned. This project was substantially redesigned at appraisal to make it participatory and community-based. | Substantial. NGO and CBO contributions are already substantial. (CBOs are organized and trained by NGOs to organize, plan, and implement local solutions to water supply in remote areas, and accept responsibility for O&M.) |

ANNEX C: SUMMARY OF FIELD-BASED PROJECT OBSERVATIONS (CONTINUED)

| County, Project, Credit Number, and Approval Date | Intended NGO/CBO Involvement | Actual NGO/CBO Involvement | NGO/CBO Contribution |
|---|--|---|--|
| Maharashtra Rural Water Supply and Sanitation Cr. 2234-IN (1991) | Involve NGOs to ensure community participation, especially of women. NGOs to demonstrate water supply and sanitation techniques, promote group formation, and provide training. | NGOs not involved in design, and their roles in implementation less than expected. Large numbers of NGOs involved, but contribution limited by low available capacity of many NGOs and weak recruitment procedures. Modest performance and high rate of turnover. | Limited. Some NGOs making a positive contribution promoting health messages and latrines. Potential role in promoting local ownership of water supply systems limited by top-down approach of state agency, leaving little scope for community involvement beyond system maintenance and fee collection. |
| Fifth Population Project (IPP5) Cr. 1931-IN (1988) | Increase the participation of NGOs in urban family welfare programs in Mumbai and Chennai (former Bombay and Madras). | NGOs involved as operators of primary health care centers and providers of IEC. | Modest but not sustainable. NGO involvement increased number of health posts and coverage of family welfare services, including rates of immunization, contraceptive prevalence, and pre- and post-natal child care. But some health posts are already closed; others maintained on ad hoc basis. Financing for NGOs terminated at project completion. |
| Family Welfare (Urban Slums) Eighth Population Project (IPP8) Cr. 2394 (1992) | NGOs to bridge communication gaps between municipal health service and slum communities. Focus on reducing fertility and improving child care. | In Delhi, NGO involvement slow to take off (only 2 NGOs active after 2 years). In Hyderabad, NGOs playing a dynamic role in 161 of 662 slum areas. (Calcutta and Bangalore not assessed.) | Limited results in Delhi, where NGOs are not actively involved or seen as partners. Prospects for positive results in Hyderabad, where NGOs have organized women's groups (CBOs) and linked them to the health system. |
| BOLIVIA | | | |
| Eastern Lowlands Natural Resource Management and Agricultural Production Cr. 2119 (1990) | Confederation representing indigenous peoples (CIDOB) to join the commission for project coordination. CIDOB to implement a small (\$900,000) component to support indigenous peoples. | CIDOB involved in design, but not in coordination of implementation as foreseen because of political conflict. | Minimal. Frustration and conflict resulted from acute disagreements among groups over the role and rights of indigenous people. Indigenous peoples' component marginalized. Some growth in mutual respect among stakeholders. The project is "about to end, but the work has barely started." |
| Education Reform Cr. 2650 (1994) | NGOs have been important actors in education in Bolivia for decades. But NGOs are mentioned only briefly, mainly in the annex to SAR. NGOs seen as contributors in dialogue with government and able to provide their own relevant experience. | NGO participation mainly in limited dialogue on educational reform. Some NGOs contracted to prepare studies and provide training of community agents. | Limited. Training provided by NGOs rated effective, but administrative bottlenecks are serious impediment to progress. Expected NGO contribution unclear from outset, but NGO contributions influenced educational reforms to an extent. |

ANNEX C: SUMMARY OF FIELD-BASED PROJECT OBSERVATIONS (CONTINUED)

| Country, Project, Credit Number, and Approval Date | Intended NGO/CBO Involvement | Actual NGO/CBO Involvement | NGO/CBO Contribution |
|---|--|--|---|
| Integrated Child Development (PIDI) Cr. 2531 (1993) | NGOs expected to support implementation locally (home-based day care) and nationally (training), and provide staff for project supervision. NGOs seen as source of funds. | NGO involvement largely as planned in home-based day care, mobilization of parents, training, and project supervision. | Modest. NGOs successfully delivering services that raise the quality of home-based day care. But NGO interventions are few (fewer than 25 centers with NGO involvement), have no comparative advantage, and are of uncertain sustainability. NGO contributions are isolated. |
| Biodiversity Conservation (Global Environment Facility) | Several environmental NGOs and community groups to implement subcomponents—for example, input into community management plans. NGOs are expected to contribute to project cost and continuity of actions supported by the project. | Five of 14 parks directly administered by NGOs or CBOs. Tasks involve policy development, planning, management, and fund-raising. | Modest. In some cases, NGOs and CBOs contribute a new and creative element to parks management. Within a coherent regulatory framework, NGOs are working effectively with delegated management authority. Confidence between government and community raised by NGO involvement. Biodiversity conservation as cooperative endeavor is evolving as a direct result of dialogue involving NGOs and experimental approaches to management. |
| Emergency Social Funds (ESF) I & II Crs. 1829 and 1882 (1987, 1988) Social Investment Funds (SIF) I & II Crs. 2127 and 2532 (1990, 1993) | NGOs expected to assist in preinvestment work, presentation of projects to fund managers, and project implementation. | NGOs not involved in project design of ESFs or SIFs. NGOs heavily involved in implementation of projects approved under ESFs. | Substantial, but declining. In ESF, NGOs implemented \$41 million in projects (20 percent of total) targeting poor, but not the poorest or the remotest areas. CBOs mobilized funds locally. NGO involvement declined in SIFs, relative to ESFs (less than 10 percent of project costs through NGOs), and contribution mixed. |
| National Land Administration Cr. 2742 (1995) | Farmer associations, peasant unions, and indigenous organizations (NGOs, broadly) to be involved in drafting new law on land reform. No budget provided. | Groups contributed to difficult discussions before introduction of Land Reform Law. NGOs still expected to support implementation of a subsequent Land Settlement program. | Problematic. NGOs have contributed to a structured debate on land reform, but how they will continue to contribute without budget and appropriate institutional arrangements is unclear. |
| Rural Communities Development Cr. 2772 (1995) | NGOs to be contracted to provide management services, introduce participatory planning through workshops, monitor progress, train participants, and provide technical assistance. | The project has built directly on NGO experience. NGOs shortlisted; some contracted to help municipalities. | Positive indications, but too soon for results. Difference between NGOs and consulting companies obscure. New law on popular participation (which project supports) may challenge the role and capacity of NGOs. |

ANNEX C: SUMMARY OF FIELD-BASED PROJECT OBSERVATIONS (CONTINUED)

| Country, Project, Credit Number, and Approval Date | Intended NGO/CBO Involvement | Actual NGO/CBO Involvement | NGO/CBO Contribution |
|--|---|--|---|
| Environment Technical Assistance (ETAP) Cr. 2443 (1992) | An international NGO to provide support for revised legal framework for environment. National NGOs to provide teacher training, educational materials, and support for school curriculum reform. | National NGO involvement implemented largely as planned. International NGO involvement not confirmed by OED. | Limited. Results undermined by poor relations between government and NGOs. Communications between partners poor, leading to mistrust, contractual problems, and tax squabbles. |
| Integrated Health Development Cr. 2092 (1990) | Delegation of responsibility to NGOs for administration of health care in some districts. CBOs (in the form of Popular Health Committees) to help ensure local participation, including provision of works, O&M, and cost recovery. | Intentions in planning stage not followed through. Health centers made the responsibility of local governments. Relations with NGOs maintained selectively at local, regional, and national levels. | Modest. Government and NGOs are cooperating in provision of health care. NGOs bring flexibility, lower costs, and innovation, but behave independently. NGOs provide health care via their own centers to 7 percent of population, mainly in urban areas. |
| Rural Water and Sanitation (PROSABAR) Cr. 2806 (1996) | Based on experience of an NGO pilot phase, NGOs to support project implementation. NGO role not clearly defined in SAR, outside references in annexes. Community (organized into CBOs) is to be primary player. | NGOs and private consultants contracted to assist implementation of project's "social" component; that is, community organization, support for implementation of local infrastructure, support for O&M, and practical training in hygiene. | Positive indications but too soon for results. NGO comparative advantage at the local level appreciated by government. Project follows procedures established for by the SIF which favors the private sector. However, NGO involvement has been shown to lower unit costs and raise local ownership. Greater ownership expected to lead to higher levels of sustainability. |
| BRAZIL AIDS/STD Control Cr. 3659 (1993) | NGOs to receive grant funding for prevention, IEC, and treatment services. | Project preparation was participatory, with NGO involvement. NGO funding proceeded as planned (308 projects financed between 1993–96 for US\$14.3 million). Some problems with technical assistance, excessively complex application procedures, and heavy reporting requirements. | Substantial. NGOs have been pioneers in the fight against HIV/AIDS. Without NGOs and CBOs, project would not have been able to reach essential target groups. NGO/CBO efficiency limited by procedural problems noted. |

ANNEX C: SUMMARY OF FIELD-BASED PROJECT OBSERVATIONS (CONTINUED)

| Country, Project, Credit Number, and Approval Date | Intended NGO/CBO Involvement | Actual NGO/CBO Involvement | NGO/CBO Contribution |
|--|---|--|--|
| <p>Northeast Rural Development Program (NRDP)—Rio Grande do Norte and Pernambuco Projects Cr. 2524 (1985) and Cr. 2718 (1986) (Note: OED primarily assessed project post-1993 reformulation)</p> | <p>Following the 1993 project reformulation, CBOs to receive grant funding for subprojects identified by communities as priorities. Possible NGO role providing technical assistance to communities and project staff. NGOs and CBOs to participate in municipal councils' deliberations on subproject approvals.</p> | <p>CBO funding as planned (nearly 14,000 subprojects completed or under implementation by June 1996, at a cost of over \$200 million). NGO involvement did not take place in Pernambuco. Strong NGO collaboration in Rio Grande do Norte. Participation in councils depends on level of organization of civil society. New generation of projects trying to incorporate lessons learned about civil society participation.</p> | <p>Mixed. Experience in Rio Grande do Norte cited as a best practice (competent and respected NGOs make a clear difference in the quality of subprojects and ownership; M&E by NGOs provides an independent view on progress), but may be exceptional. Some CBOs "graduating," but sustainability of most is uncertain. In Pernambuco, NGO contribution is negligible.</p> |
| <p>Demonstration Projects (PDA) of Pilot Program to Conserve the Rainforest (PP-G7)</p> | <p>NGOs and CBOs to receive grant funding for innovative conservation and sustainable development subprojects. Two NGO networks to receive institutional strengthening support. NGO networks to disseminate results.</p> | <p>NGO and CBO funding proceeding as planned (97 subprojects costing \$13.5 million by mid-1997). Some problems: insufficient technical assistance and overly complex application procedures. Institutional strengthening of networks is limited.</p> | <p>Positive indications from good initiatives. Experimental projects: too early to expect demonstration impact. Importance of strong NGOs as intermediaries and need for social organization both clearly demonstrated. Limited dissemination, (not attributable to NGO networks).</p> |

Note: Five country missions were undertaken to support the preparation of case studies. The dates of those missions were: Kenya, November–December 1996; Mali, April 1997; Bolivia, September 1997; India, October 1997; and Brazil, January 1998.

ANNEX D: AGGREGATE FINDINGS

Regionally, performance of completed projects *with* and *without* provision for NGOs/CBOs varies only slightly. The likelihood of a satisfactory project outcome is somewhat higher *with* provision for NGOs/CBOs in Africa, Latin America and the Caribbean (LAC), and the Middle East and North Africa (MNA); it is lower elsewhere. NGO/CBO involvement is correlated with a higher incidence of likely sustainability in East and South Asia and Europe and

Central Asia, and with a higher incidence of substantial institutional development in East and South Asia.

Sectorally, provision for NGO/CBO involvement is associated with more satisfactory outcomes in infrastructure and urban development projects, but little difference has been noted in other sectors. NGO or CBO involvement has no significant positive impact on the likelihood of project sustainability or institutional development.

TABLE 1: PERFORMANCE OF COMPLETED PROJECTS, *WITH* AND *WITHOUT* PROVISION FOR NGO/CBO INVOLVEMENT, FY73 TO FY97 (PERCENT)

| Indicator | All Projects (n = 3,793) | With NGOs/CBOs (n = 263) | Without NGOs/CBOs (n = 3,530) |
|--|-----------------------------|-----------------------------|----------------------------------|
| Outcome satisfactory | 68 | 67 | 69 |
| Sustainability likely | 45 | 39 | 46 |
| Institutional development, modest or substantial | 75 | 72 | 75 |

Source: OED data.

TABLE 2: PERFORMANCE OF COMPLETED PROJECTS, *WITH* AND *WITHOUT* PROVISION FOR NGO/CBO INVOLVEMENT, BY REGION, FY73 TO FY97 (PERCENT)

| Region | Outcome | | Sustainability | | Institutional Development | |
|------------|-----------------------------|--------------------------------|-----------------------|--------------------------|----------------------------|-------------------------------|
| | Satisfactory with NGOs/CBOs | Satisfactory without NGOs/CBOs | Likely with NGOs/CBOs | Likely without NGOs/CBOs | Substantial with NGOs/CBOs | Substantial without NGOs/CBOs |
| Africa | 61 | 58 | 30 | 30 | 21 | 21 |
| East Asia | 68 | 82 | 51 | 61 | 30 | 44 |
| ECA | 66 | 70 | 33 | 57 | 50 | 37 |
| LAC | 71 | 65 | 50 | 46 | 39 | 30 |
| MNA | 83 | 75 | 86 | 50 | 29 | 30 |
| South Asia | 73 | 74 | 38 | 42 | 21 | 26 |
| All | 68 | 69 | 39 | 46 | 26 | 29 |

Note: ECA, Eastern Europe; and Central Asia; LAC, Latin America and the Caribbean; MNA, Middle East and North Africa.

Source: OED data.

TABLE 3: PERFORMANCE OF COMPLETED PROJECTS, *WITH* AND *WITHOUT* PROVISION FOR NGO/CBO INVOLVEMENT, BY SECTOR, FY73 TO FY97 (PERCENT)

| Region | Outcome | | Sustainability | | Institutional Development | |
|--------------------------------------|-----------------------------|--------------------------------|-----------------------|--------------------------|----------------------------|-------------------------------|
| | Satisfactory with NGOs/CBOs | Satisfactory without NGOs/CBOs | Likely with NGOs/CBOs | Likely without NGOs/CBOs | Substantial with NGOs/CBOs | Substantial without NGOs/CBOs |
| Agriculture | 58 | 61 | 29 | 37 | 28 | 27 |
| Human development | 74 | 76 | 51 | 55 | 33 | 29 |
| Infrastructure and urban development | 80 | 74 | 47 | 46 | 13 | 28 |
| Industry, mining, and energy | 70 | 72 | 58 | 54 | 17 | 35 |
| Environment | 0 | 100 | 0 | 100 | 0 | 67 |
| Finance and public sector management | 47 | 68 | 21 | 39 | 28 | 28 |
| Multisector | 82 | 76 | 50 | 50 | 50 | 28 |
| All sectors | 67 | 69 | 39 | 46 | 27 | 29 |

Source: OED data.

TABLE 4: PERFORMANCE OF ACTIVE PROJECTS, *WITH* AND *WITHOUT* PROVISION FOR NGOS OR CBOs, BASED ON BANK SUPERVISION REPORTS (FORM 590), 1995-97

| | With Provision for NGOs or CBOs | Without Provision for NGOs or CBOs |
|---|---------------------------------|------------------------------------|
| Meeting development objectives: satisfactory or highly satisfactory | 86% (n = 585) | 87% (n = 951) |
| Making implementation progress: satisfactory | 84% (n = 553) | 84% (n = 926) |

Source: OED data.

ANNEX E: MANAGEMENT RESPONSE: OED EVALUATION OF NGOS IN WORLD BANK-SUPPORTED PROJECTS

Introduction

The fundamental purpose of the Bank's work with NGOs is to help our borrower countries to reduce poverty and achieve sustainable development. Given the expansion in both the scope and frequency of NGO involvement in Bank-financed activity in recent years, it has become all the more important that we ensure the effectiveness of this relationship. OED's report, "NGOs in World Bank-supported Projects," is a very useful contribution to this effort. The lessons of experience in the report can be applied in the context of emerging challenges and opportunities for Bank-NGO relations.

OED's report also serves as an important complement to the recent paper entitled "The Bank's Relations With NGOs: Issues and Directions" (August 14, 1998), which was discussed by the Executive Directors on March 10 and 12, 1998. Both support and complement GP14.70, which provides broad guidance to staff on involving NGOs in World Bank-supported activities.

OED's Findings and Recommendations

OED's report evaluates whether NGO involvement increases the effectiveness of Bank-assisted projects and what factors have a bearing, positive or negative, on project outcomes. OED concludes that strong NGO/CBO involvement can significantly contribute to project success, but that the record is mixed. In particular, the wide variation in quality of NGO/CBO involvement in World Bank-supported projects stems from inconsistent attention to critical factors such as the environment for NGOs/CBOs, NGO capacity, the use of appropriate procurement and disbursement arrangements, and careful NGO/CBO selection based on detailed knowledge of the NGO sector in the country. OED points out that expectations have been raised quite high and that the collaboration with NGOs/CBOs should be translated more fully into practice.

OED's report is based on a desk review, a field examination of 37 projects in five countries, and a survey of task managers to assess financial flows through NGOs in selected countries. The report concludes with a number of recommendations to make partnerships with NGOs/CBOs more effective. These include proposals for helping governments develop a more enabling environment for NGOs; for increasing the capacity of borrowers, the Bank, and NGOs for building mutual partnerships; and for more participatory approaches to projects, with clear

rationales for involving NGOs/CBOs and transparent selection procedures.

Management's Response

We welcome OED's evaluation of NGO involvement in World Bank-supported projects and agree with the thrust of the conclusions. We particularly appreciate OED's insights from their field examination of specific projects. This provides a rich base of lessons, including an important reminder of the need to temper expectations of partnership.

Over the last two years the Bank has scaled up its work with NGOs. We now have staff in Resident Missions, Regional Social Development Units, and in various central departments, designated for this purpose. Management considers that these efforts are leading to improved collaboration and dialogue among governments, NGOs, and the Bank. We believe it is necessary to review carefully our evolving experience over the next few years, and for this reason the Social Development Family is putting considerable emphasis on learning from the experience of partnerships under way. Of course, the depth of, and our approach to, NGO partnerships should be tailored to the circumstances of the country in question. This underscores the importance of building capacity in the Regions and the Resident Missions to provide leadership in Bank-NGO relations.

The recent expansion in Bank-NGO collaboration is not fully captured in OED's desk review since it comprises a very early cohort of projects with NGO involvement. Eighty percent of the projects in this sample were approved prior to the 1989 Operational Directive on NGOs. In this period, involvement of NGOs was often so minor that it could not be expected to significantly influence overall project outcome. Now, however, operational staff describe a deepening of NGO involvement, and it may become possible to discern aggregate trends. For example, NGO Unit analysis finds that *Annual Report on Portfolio Performance* (ARPP) data are already beginning to indicate a possible positive correlation between NGO involvement and performance for current (i.e., newer) projects in most sectors.

We agree with OED that the long-held practice of identifying "projects with NGO involvement" by statements of intent within appraisal documents tends to over-state the extent of actual involvement. We are now

strengthening monitoring by tracking a cohort of projects with intensive NGO involvement and putting more emphasis on field-level reviews.

The effectiveness of NGO collaboration varies considerably from country to country, from project to project, and according to the prevailing circumstances. The OED field studies confirm that performance is not uniform, and illustrate a number of important lessons that are fully consistent with past management reports and guidance manuals (*Working with NGOs*, March 1995; *NGOs and the Bank*, June 1996; *The Bank and NGOs*, August 1998, and other papers).

From the OED report and the papers referenced above, it is clear that there are various factors that influence the effectiveness of the Bank's relationships with NGOs. These include issues of capacity, working relationships (especially the need for simplified procurement and disbursement procedures and the importance of starting the involvement early), and the policy environment for NGOs. Measures can be, and are, being put in place concerning these issues in order to better realize the benefits of working with NGOs.

The results of this OED survey demonstrate that considerable Bank funding flows via governments to NGOs, but that it is difficult to arrive at precise information on this subject. We fully agree that it is important to derive reliable information on this issue. In Management's view, this could be achieved through inviting borrowers to monitor project flows via NGOs/CBOs and through conducting further surveys, particularly of newer projects, thus avoiding the excessive administrative requirements of routinely requiring borrowers and staff to quantify such flows.

The OED report underscores the importance of implementing its recommendations in a way that balances the benefits and costs of NGO collaboration.

Conclusion

Given the increasing importance of Bank-NGO collaboration, OED's evaluation is timely. Again, Management welcomes this report and agrees with the overall thrust of its recommendations, as our responses in the attached ledger indicate.

ANNEX F: NONGOVERNMENTAL ORGANIZATIONS IN WORLD BANK-SUPPORTED PROJECTS/OED LEDGER

OED Recommendations

1. ***Improve use of current guidelines on NGOs.*** The Bank's guidelines on involving nongovernmental organizations in Bank-supported activities, expressed in GP14.70, are sound and encourage borrowers and staff members to consult with NGOs and involve them, as appropriate, in Bank-supported activities, including all stages of project processing—identification, design, implementation, and monitoring and evaluation—in conformity with the relevant policies of borrower governments. These guidelines should be used ***more effectively***, especially to address OED's recommendations (in paragraph 27 of the Executive Summary of OED's study).

2. ***Development Context.*** The Bank has much to learn from others about collaboration with NGOs, and has not effectively tapped existing sources of expertise or done enough to improve the enabling environment for NGOs. The Bank should intensify collaboration with actors who have a comparative advantage in this area and engage borrowers in policy dialogue on the environment for NGOs. Thus, the Bank should:

- a) Develop strategic partnerships (both operational and advisory) with donors, foundations, and others with knowledge and experience of working with and funding NGOs.
- b) Where country environments for NGOs are less than fully enabling—with respect to legislation, administrative procedures, or borrower attitudes—address such shortcomings in the policy dialogue with governments and reflect the status of these discussions in the CAS.

Management Response

1. We agree that GP14.70 provides an appropriate framework for Bank-NGO collaboration. Management has invested substantial resources and taken a series of measures to enhance the effective use of the guidance of GP14.70. We agree with the thrust of the recommendations in paragraph 27, which identify the key challenges for more effectively translating the guidance into improved project outcomes. Some of the steps for addressing the recommendations are elaborated below. They are consistent with management's paper *The Bank's Relations with NGOs* (discussed at the Board Seminar, March 10 and 12, 1998).

2. We agree that the Bank has much to learn from governments, other donor agencies, foundations, and others about collaboration with NGOs. Various efforts are under way, both at the international and national levels, to enhance coordination and experience-sharing with other agencies. The Bank, with others, has significantly helped borrowers improve the policy environment for NGOs in a number of countries, but it is true that—as yet—this is far from systematic.

- a) Agreed. We are placing more emphasis on forming strategic partnerships at the institutional level (e.g., Religious Leaders Forum, foundations, etc.), and in many countries the identification of critical partnerships is an important aspect of the Bank's Country Assistance Strategy.
- b) Legislation and other aspects of the policy environment influence, pivotally, the efficacy of the NGO sector. The Bank has a work program on such matters, where governments request this advice. Where the policy environment presents a barrier to the necessary partnerships for poverty reduction, country directors are increasingly raising these issues in their dialogue with governments and in CASs.

c) Ensure that decisions to engage with NGOs in projects are made in light of the outcomes of a) and b) above.

c) We agree that planned collaboration with NGOs must be cognizant of the country's policy environment for NGOs, the strength of the NGO sector, realistic expectations of what collaboration might achieve, and the experience of other agencies. Management will give further guidance on these aspects, both through the NGO Thematic Team and through training programs and best-practice disseminated to operational staff.

3. *Capacity building.* Most Bank staff and borrower agencies have only modest knowledge, capacities, and experience of effective partnership with NGOs, and the majority of NGOs lack an adequate understanding of how the Bank works. Keeping specific country contexts in mind, the Bank should:

3. We agree with the relevance of training and capacity enhancement for Bank staff and borrowing agencies, particularly to give exposure to and draw on practical lessons of partnership with NGOs. We are also devoting a significant effort to enhancing NGO understanding of the Bank.

a) Clearly define the roles and responsibilities of country NGO specialists and liaison officers and upgrade their skills.

a) Most Regions have assigned responsibility for NGO relations to NGO specialist staff within Resident Missions. Some Regions have drafted uniform TORs that cover the points suggested. This process should be completed for all Resident Missions within 12 months. NGO specialists have received initial training both in Washington and at the Regional level. Many RM's have also provided training at the country level on specific issues such as information disclosure. Many NGO specialists are becoming more fully integrated into country and project teams.

b) Mount programs of training for borrower agency and Bank task team members on working effectively with NGOs in all the Bank's regions.

b) The NGO Unit is developing a training program with LLC/EDI that includes a strong emphasis on in-country training. We agree that it would be desirable to offer these programs more regularly to borrower agency staff.

c) Regularly provide information and training to NGOs and other civil society organizations on how the Bank works.

c) Few NGOs have detailed understanding about how the Bank works. We are rapidly expanding outreach programs. Experience indicates that the best approach is to do this from Resident Missions and, specifically, to provide intensive training on Bank/government business procedures during the preparation phase of projects that envisage major NGO involvement.

4. Design and implementation of operations. When borrower partnerships with NGOs/CBOs are envisaged, flexibility and transparency are necessary. Thus the Bank should:

- a) Help borrowers establish a clear rationale for NGO/CBO involvement, identify and recruit partners based on proven competence, engage them early in the project design process, and reach early agreement on the rules of partnership.
- b) In all projects that involve NGOs, require borrowers, prior to project approval, to design transparent and accountable systems for funding NGOs in Bank-assisted projects, and subsequently to monitor and report on the flow of funds to NGOs.
- c) Seek flexible, monitorable project implementation through simplified business procedures, better guidelines for overhead costs, and improved guidance to borrowers on monitoring and evaluation of NGO involvement.

5. Monitoring Bank-NGO collaboration. Effective partnership requires consistent monitoring of experience, using the advice of GP14.70 as a benchmark. Thus the Bank should:

- a) Make the NGO Unit in the Social Development Department, in consultation with the regions, accountable for monitoring collaboration, including qualitative aspects.

4. Agreed. It is also essential that governments support the partnerships with NGOs/CBOs.

- a) Agreed. The rationale will, inter alia, be set out at the design stage and discussed with government. Resident Mission-based NGO specialists are increasingly helping governments in the NGO/CBO selection and in achieving common understanding of the proposed partnership.
- b) Since the procedures for tracking or auditing funds channeled through NGOs are the same as those used for channeling a Bank loan through other entities, we think it would be burdensome to require borrowers to disaggregate these flows to single out NGOs for special monitoring or reporting. However, future borrowers will be invited to monitor project flows via NGOs and CBOs. And further limited surveys will be considered, such as the one referred to in OED's report.
- c) We agree that the procedures for disbursing funds through NGOs are often cumbersome, and appropriate mechanisms must be put into place prior to project approval for this, and for monitoring progress. Guidance on these issues is provided by *Working with NGOs* (NGO Unit, March 1995) and will be elaborated over the coming year.

5. We agree with the importance of conducting more systematic monitoring of the extent and experience of operational collaboration.

- a) We agree that the NGO Unit, Regional Social Development Units (SDUs), and Resident Missions all have important roles to play in monitoring collaboration. This is reflected both in the future work plan of the NGO Unit and in management's plans to strengthen the Bankwide NGO Thematic Team. Both place increased emphasis on monitoring and the dissemination of experience.

b) Replace the current NGO database with a monitoring system, based on country operational experience, that records goals, achievements, and resources used.

b) The NGO Unit maintains a project database that summarizes appraisal documents' information on NGO/CBO involvement and participation; and the Regional Social Development Units are now collecting more systematic information on this issue. The NGO Unit and Regional SDUs will give more emphasis to monitoring specific cohorts of projects that may reveal quality lessons of good practice, innovation, and impact of NGO involvement.

6. *NGO funding.* Funding for NGOs in Bank-assisted projects is disjointed and incremental. The amounts committed and the rationale cannot be understood from the records that are presently maintained. While there are indications that funding, especially for community-based organizations (CBOs), is substantial, the data are unreliable. Thus, the Bank should assess reliably and report the volume of funding the Bank provides to NGOs and other civil society organizations from IDA, IBRD, and other sources.

6. We believe that the existing mechanisms for financing NGOs in the context of Bank operations (including APLs and LILs) are adequate. They afford various ways in which governments can channel funds borrowed from the Bank through nongovernmental organizations when this route will achieve the desired project outcomes. Experience indicates that improvements are often desirable in business procedures (especially procurement and disbursement), and we are continuing to explore opportunities for improving procedures and ensuring that the existing flexibility is better known and utilized.

The OED experience indicates how difficult it is to provide meaningful figures on the flow of IBRD/IDA resources being channeled by governments through NGOs. Rather than seek to monitor all Bank funding via NGOs, we consider the steps described in 4 (b) to be adequate for the present; they should enable the Bank, in time, to provide reasonable estimates of total flows.

ANNEX G: REPORT FROM CODE/ COMMITTEE ON DEVELOPMENT EFFECTIVENESS

The Committee on Development Effectiveness (CODE) reviewed a report prepared by the Operations Evaluation Department entitled *NGOs in World Bank-Supported Projects* (SecM98-766). The Committee welcomed the report and said that it provided very interesting and useful insights into the role of NGOs in World Bank-supported operations. It expressed satisfaction with the plan to discuss a dissemination workshop for the report in consultation with the Bank-NGO Committee at its next meeting in November. The Committee took note of the constructive management response to OED's recommendations.

The Committee agreed that NGOs and community-based organizations (CBOs) can make a positive contribution to project success. The Committee noted that the role of NGOs/CBOs should be seen in an historic and cultural context. It also noted the important role that NGOs/CBOs play not only as project implementation partners but also in strengthening the civil society and building social capital. The OED study sought to identify success factors. It hypothesized that NGO/CBO effectiveness in World Bank-supported projects is the product of the country environment for the organizations; the relationship among the organizations, governments, and the Bank; and the capacities of the organizations to make relevant, timely decisions when dealing with their financiers, operating partners, and clients. In this connection, the Committee emphasized the importance of NGOs/CBOs being accountable to their constituencies and of checks and balances being in place within the organizations.

Bank Dialogue with Governments. The Committee agreed that when borrower partnerships with NGOs/CBOs are envisaged, flexibility and transparency are necessary. It stressed that the Bank, as part of the policy dialogue, should help borrowers to understand and appreciate the value of NGO work in their countries. The Bank should help borrowers establish a clear rationale for NGO/CBO involvement. It was suggested that the Bank should assist governments in developing databases of information on NGOs operating in their countries. In this connection, the Committee reiterated its suggestion that a typology of NGOs should be developed. In light of OED's findings that a supportive environment for NGO/CBO activity is critical for a satisfactory outcome, the Bank should also provide support to governments in developing better regulatory frameworks for dealing with NGOs/CBOs. Staff explained that the Bank has been assisting governments and NGO networks to come together to

draft or revise appropriate legislation relating to NGOs in a number of countries.

The Committee welcomed management's response that where the policy environment presents a barrier to the necessary partnerships for poverty reduction, country directors are increasingly raising these issues in their dialogues with governments and in CASs. In addition, Resident Mission-based NGO specialists are increasingly helping governments in the NGO/CBO selection and in achieving common understanding of the proposed partnership.

Need to Enhance Bank Capacity. The OED study found that most Bank staff and borrower agencies have only modest knowledge of, capacity for, and experience with, effective partnership with NGOs, and the majority of NGOs lack an adequate understanding of how the Bank works. The Committee emphasized the need to change mindsets within the Bank to be more sympathetic and willing to work with NGOs. It noted with concern that the influence of the NGO specialists is sometimes limited because their experience varies from extensive to minimal, their status is low, and Resident Mission and other operational staff vary in their receptivity to the advice of the NGO specialists. The Committee endorsed OED's recommendation that the roles and responsibilities of country NGO specialists and liaison officers should be clearly defined and their skills upgraded. It was satisfied with management's response that the process of drafting TORs for NGO specialists should be completed for all Resident Missions within 12 months. In addition, NGO specialists have received initial training both in Washington and at the Regional level. Many Resident Missions have also provided training at the country level on specific issues such as information disclosure. Furthermore, many NGO specialists are becoming integrated more fully into country and project teams.

Involving Nongovernmental Organizations in World Bank-Supported Activities (GP14.70). The Committee discussed the need to provide better guidance in this area to staff. The suggestion was made that management might consider upgrading GP 14.70 to an operational policy. Management noted that although GP 14.70 is advisory and not obligatory and country consent is essential, it will consider converting parts of GP 14.70 into an Operational Policy.

Surendra Singh
Chairman

EXECUTIVE SUMMARY

1. There is considerable literature on the definition of NGOs, but no consensus. Essential descriptors of NGOs include their orientation (welfare, development, advocacy, development education, networking, and research) and level of operation (international, national, or community-based). Secondary descriptors include their sectoral focus and evaluative attributes (values, accountability, efficiency, control over resources, gender equality, and degree of participation practiced). These are summarized in Varkil 1997.

2. OD 14.70, August 28, 1989, was replaced by Good Practice (GP) 14.70, March 1997.

3. The most recent report, *Cooperation between the World Bank and NGOs: Provisional FY97 Progress Report* (World Bank 1986) was provided to Bank Executive Directors in February 1998. Because the World Bank's NGO database is based on appraisal documents, it reports mainly on planned provision for work with NGOs, not on actual achievements.

4. In consultation with the Bank NGO Unit, task managers of 194 projects in Bolivia, Brazil, India, Indonesia, Kenya, Mali, and the Philippines were surveyed; 107 usable responses (55 percent) were received. Responses account for 13 percent of all Bank-supported projects with provision for NGO involvement approved between 1985 and 1997.

5. An additional \$421 million was committed to these projects by borrowers, cofinanciers, NGOs, and beneficiaries for work by NGOs and CBOs in Bank-supported projects.

6. Notably, this includes \$367.5 million from the IBRD for 10 rural development projects in northeast Brazil.

7. Many of these recommendations strongly endorse the proposals of the Bank's 1995 report, *Working with NGOs*. This handbook, prepared by the NGO Unit, contains a wealth of valuable guidance that should be understood by all Bank staff working with NGOs.

RESUMEN

1 Se han publicado numerosos estudios sobre la definición de ONG, pero no se ha llegado a un consenso al respecto. Los factores que definen a las ONG incluyen su orientación (beneficencia, desarrollo, defensa de intereses especiales, educación para el desarrollo, establecimiento de redes e investigación) y ámbito de actuación (internacional, nacional, o comunitario). Los factores secundarios incluyen su enfoque sectorial y atributos de evaluación operacional (valores, responsabilidad, eficiencia, control de recursos, igualdad de los géneros, y grado de participación practicado). Esos factores se resumen en Varkil 1997.

2 La Directriz Operacional 14.70, de fecha 28 de agosto de 1989, fue reemplazada por la Práctica Recomendada 14.70, de marzo de 1997.

3 El último informe, *Cooperation between the World Bank and NGOs: Provisional FY97 Progress Report* (World Bank 1986), se distribuyó a los Directores Ejecutivos del Banco en febrero de 1998. Dado que la base de datos del Banco sobre ONG se basa en documentos de evaluación, contiene información principalmente sobre la provisión de fondos proyectada para la participación de las ONG, no sobre los resultados logrados.

4 En consulta con la Dependencia del Banco encargada de las relaciones con las ONG, se llevó a cabo una encuesta entre los jefes de 194 proyectos en Bolivia, Brasil, Filipinas, India, Indonesia, Kenya y Malí, en relación con la cual se recibieron 107 respuestas útiles (55%). Las respuestas representan el 13% de todos los proyectos respaldados por el Banco en los que se ha hecho provisión de fondos para la participación de ONG, aprobados entre 1985 y 1997.

5 Prestatarios, cofinanciadore, ONG y beneficiarios asignaron otros US\$421 millones para trabajos de las ONG y OCB en proyectos respaldados por el Banco.

RÉSUMÉ ANALYTIQUE

1. La classification des ONG est un sujet traité dans de nombreux ouvrages, mais qui ne fait pas l'unanimité. Les ONG sont d'abord répertoriées en fonction de leur orientation (protection sociale, développement, sensibilisation de l'opinion publique, formation au développement, établissement de réseaux et recherche) et de la portée de leurs opérations (internationale, nationale ou de proximité). Elles sont ensuite classées en fonction de leur degré de spécialisation sectorielle et de plusieurs critères d'évaluation (valeurs, prise de responsabilité, efficacité, maîtrise des ressources, parité hommes-femmes et optique participative). Ces paramètres sont détaillés dans Varkil, A., « Confronting the Classification Problem: Toward a Taxonomy of NGOs », *World Development* (25)12:2057-2070, 1997.

2. La DO 14.70 datée du 28 août 1989 a été remplacée en mars 1997 par le document « Pratiques recommandées 14.70 ».

3. Le dernier rapport en date, *Cooperation between the World Bank and NGOs: Provisional FY97 Progress Report*, a été distribué aux Administrateurs de la Banque en février 1998. La base de données constituée par la Banque mondiale sur les ONG étant fondée sur les documents d'évaluation, les informations qu'elle contient portent essentiellement sur les projets de collaboration avec les ONG, et non sur les actions réellement menées.

4. En concertation avec les services de la Banque chargés des ONG, une enquête a été effectuée auprès de 194 chefs de projets en Bolivie, au Brésil, en Inde, en Indonésie, au Kenya, au Mali et aux Philippines ; 107 réponses utilisables ont été reçues (55 %). Ces réponses représentent 13 % de l'ensemble des projets financés par la Banque qui prévoyaient une participation des ONG et qui ont été approuvés entre 1985 et 1997.

5. Un montant supplémentaire de 421 millions de dollars a été engagé par les

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8. For example, use of the draft *Handbook on Good Practices for Laws Relating to NGOs* prepared for the World Bank by the International Center for Not-for-Profit Law in May 1997 and available from the NGO Unit.

9. The last point endorses the work of the International Forum on Southern NGO Capacity Building, supported by the World Bank, the U.S. Agency for International Development, and the NGO members of the NGO-World Bank Committee.

ESPAÑOL

6 Esto incluye US\$367,5 millones del BIRF para 10 proyectos de desarrollo rural en el nordeste del Brasil.

7 Muchas de esas recomendaciones apoyan decididamente las propuestas del informe del Banco titulado *Working with NGOs*, de 1995. Dicho manual, preparado por la dependencia encargada de las relaciones con las ONG, contiene valiosa información que debería conocer todo el personal del Banco que trabaja con ONG.

8 Por ejemplo, el uso de la versión preliminar del *Handbook on Good Practices for Laws Relating to NGOs*, preparado por el Banco Mundial para el International Center for Non-Profit Law, en mayo de 1997, que se puede obtener a través de la dependencia encargada de las relaciones con las ONG.

9 El último punto avala la labor del International Forum on Southern NGO Capacity Building, respaldado por el Banco Mundial, la Agencia de los Estados Unidos para el Desarrollo Internacional y las ONG miembros del

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emprunteurs, les cofinanciers, les ONG et les bénéficiaires pour financer des activités d'ONG et d'OCB dans le cadre de projets appuyés par la Banque.

6. Il est à noter que ce montant inclut 367,5 millions de dollars fourni par la BIRD au profit de 10 projets de développement rural dans le Nord-Est du Brésil.

7. Dans nombre de ces recommandations, l'OED reprend résolument à son compte les mesures proposées dans le rapport publié par la Banque en 1995 sous le titre *Working with NGOs*. Ce rapport, préparé par les services chargés des ONG, est une mine de renseignements qui devraient être assimilés par tous les agents de la Banque travaillant avec des ONG.

8. Notamment le recours au manuel intitulé *Handbook on Good Practices for Laws Relating to NGOs*, dont la version provisoire a été établie en mai 1997 pour la Banque mondiale par l'International Center for Not-for-Profit Law, disponible auprès des services chargés des ONG.

9. Ce dernier point appuie les travaux réalisés par le Forum international sur le renforcement des capacités des ONG dans les pays du Sud financé par la Banque mondiale, l'Agence des États-Unis pour le développement international et les ONG membres du

Chapter 1

1. OD 14.70, August 28, 1989, replaced by Good Practice (GP) 14.70, March 1997.
2. See note 1, Executive Summary.
3. The important distinction between NGOs and CBOs is clearly made in World Bank 1995. The role of intermediary NGOs is described more fully in Carroll 1992.
4. See World Bank 1996.
5. See Wolfensohn 1997.
6. See Clark 1991; Edwards and Hulme 1992, 1996; Edwards 1996.
7. See Farrington and others 1993.
8. See Smillie 1995.
9. See Carroll 1992.
10. See Nelson 1995.
11. See Edwards 1996, p. 7.
12. See Hulme and Edwards 1997.
13. See Hulme and Edwards 1997, p. 280.
14. See Mahbulul, "NGOs in Bangladesh: Issues of Legitimacy and Accountability," in Edwards and Hulme 1996.
15. See Karim, Mahbulul, in Edwards and Hulme 1996, p. 137.
16. Salmen and Eaves 1991.
17. The authors acknowledge that the "sample is biased towards successful interactions which should yield better insights [and that] four were chosen for their controversiality—each having contributed to a change in either Bank or host-country policies on NGOs, social, or environmental matters" (p. 106).
18. Beckmann 1991, p. 141.
19. See OECD 1997.
20. See OECD 1997, p. xiv.
21. The purpose and approach to the study are set out in OED's Approach Paper (Annex A), discussed by the Committee on Development Effectiveness (CODE) on November 8, 1996.
22. A provisional progress report for FY97 was sent to the Bank's Board of Executive Directors for discussion on March 2, 1998.
23. This approach follows that employed by others, as summarized in Edwards and Hulme 1996.
24. Background papers are available for each case study country. OED's field work was supported in Bolivia by DANIDA, the Danish Government Development Agency, and in India by the United Kingdom Department for International Development (DFID).
25. Beneficiary assessments were done for family planning and agricultural extension projects in Kenya. The work was undertaken by ActionAid Kenya.

Chapter 2

1. See World Bank 1997c.
2. PHN refers to population, health, and nutrition.

3. This is partially reflected in the fact that before 1989, NGOs and CBOs were involved in preparation of only one-third of the projects they were expected to become involved in. Since 1989 this figure has risen to almost two-thirds.

4. This becomes most apparent in the case studies.

5. The NGO Unit, using the same data, has undertaken an analysis by sector that shows a positive correlation between project performance and NGO involvement in sectors where such involvement is traditionally high—agriculture, PHN, and social. For instance, the analysis indicates that for the "at-risk" category, projects with NGO involvement out-perform projects without NGO involvement. (See World Bank 1997c.)

6. All the data in this section refer to projects with provision for NGO or CBO involvement at approval.

7. The survey asked: how much project funding was allocated for use by NGOs or CBOs; how much was disbursed; the source of these funds; the mechanisms used to channel funds to NGOs or CBOs; the purposes to which the funds were put; and, if funding channels needed to be improved, how it should be done.

8. These data must be treated with caution. Sixteen projects in one country (Brazil) accounted for 63 percent of all the project funds identified, including \$527.5 million for 10 rural development projects in northeast Brazil.

9. These figures do not add to 100 because some projects include both grants and contracts.

Chapter 3

1. An emerging area that did not receive OED focus is NGO involvement in Bank-supported projects in post-conflict situations. In the Africa region, for example, the weakened government capacity to deliver basic social services in the unsettled conditions that typify post-conflict environments has made NGOs key partners in the Bank's social and economic rehabilitation efforts. Some reference to NGOs can be found in World Bank 1998b.

2. Delays in approvals for field work and resource limitations forced this reduction. A discussion of Bank-NGO cooperation in the Philippines, which had been considered as a case study for East Asia, can be found in World Bank 1998a.

3. Many well-known international NGOs were founded following wars: the Red Cross in 1863; Save the Children in 1920 after the World War I; Foster Parents Plan following the Spanish Civil War; CARE and Oxfam following World War II; and Doctors without Borders following the war in Biafra.

4. World Bank 1997c, prepared for the Bank by the International Center for Not-for-Profit Law (ICNL) in May 1997, provides recommendations for addressing the major issues that are typically featured in legislation affecting NGOs. It is available from the NGO Unit.

5. See World Bank 1997a.

6. OED's findings support those of the 1997 report of the Bank's Internal Auditing Department on partnership with NGOs in the implementation of projects in the Africa Region.

7. This development has paralleled the decentralization of

the NGO–World Bank Committee during 1997–98, reflecting the premise that strengthening the regional NGO committees will ensure better focus, more substance, and improved dialogue.

Chapter 4

1. NGOs were required to have a legal identity; a minimum life of three years; three years of audited accounts; articles of incorporation that include the right to work in water supply or sanitation; and a sufficient infrastructure and staff.

2. There are also cases of intermediary NGOs, including northern NGOs that support southern NGOs, who have developed a range of techniques to help raise the southern NGOs' financial and administrative capabilities, such as paying for local experts to give the NGOs a few days of their time each quarter to improve a specific skill.

Chapter 6

1. Many of OED's recommendations strongly endorse the proposals of World Bank 1995, *Working with NGOs*. This handbook, prepared by the NGO Unit, contains a wealth of valuable guidance that should be understood by all Bank staff working with NGOs.

2. Such as by promoting use the *Handbook on Good Practices for Laws Relating to Nongovernmental Organizations* (World Bank 1997c).

3. These recommendations endorse the work of the International Forum on Southern NGO Capacity Building, supported by the World Bank, USAID, and the NGO members of the NGO–World Bank Committee.

Annex A

1. The Bank operational directive on working with NGOs is OD 14.70, adopted on August 28, 1989.

2. World Bank 1996b.

3. World Bank 1996c.

4. Bank NGO Unit Database.

5. See World Bank 1992 (“The Wapenhans Report”).

6. Bank staff views on NGO involvement in Bank-supported work will be collected through Groupware or focus group sessions during the first phase of the study.

7. A preliminary analysis suggests that this may be the case. Since 1980, 24 percent of Bank projects have had poverty alleviation as their primary objective, whereas 48 percent of projects with NGO involvement have had poverty alleviation as their primary objective. Similarly, 13 percent of Bank projects approved since 1980 have been designated as poverty-targeted investments (PTI), whereas 35 percent of Bank projects with NGO involvement have been PTI-designated projects.

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