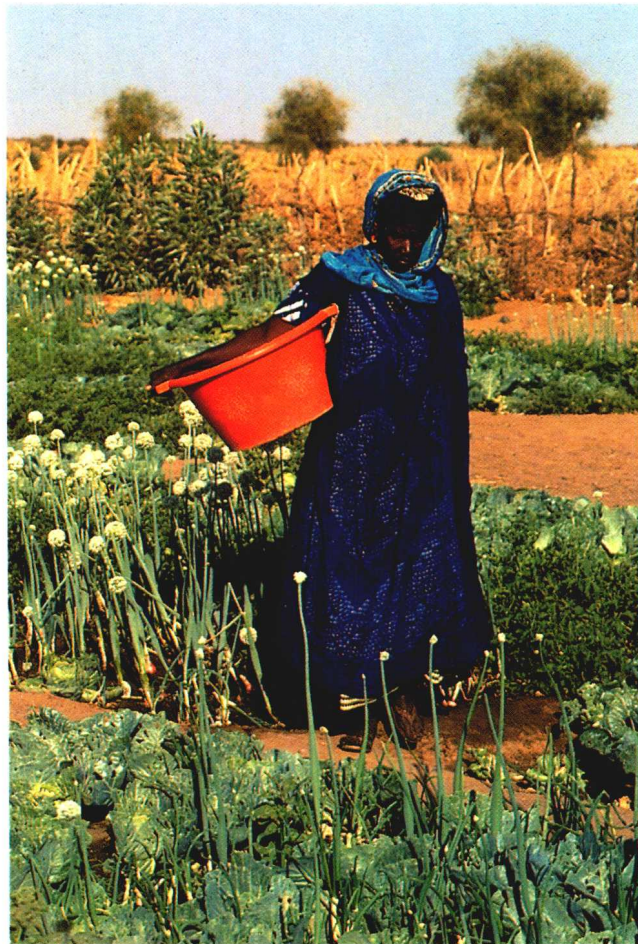

THE WORLD BANK'S PARTNERSHIP WITH NONGOVERNMENTAL ORGANIZATIONS



Participation and NGO Group
Poverty and Social Policy Department

The World Bank's Partnership with Nongovernmental Organizations



Participation and NGO Group
Poverty and Social Policy Department (PSP)
The World Bank
May 1996

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Photographs: World Bank (Curt Carnemark)

FOREWORD

This booklet outlines the ways in which the World Bank and nongovernmental organizations (NGOs) can work together in partnership. It is meant to be a resource guide for NGOs and was conceived as a way for the Bank to explain what it does and how it is seeking to further its cooperation with NGOs.

The first section outlines the World Bank's objectives and goals, how it is organized, and how it operates and is followed by a section describing the NGO community as seen by the Bank. The role of the NGO–World Bank Committee—one of the oldest fora for interaction between the Bank and NGOs—is described in the third section. The fourth section outlines concrete ways in which the Bank and NGOs can work together and suggests steps NGOs might take to initiate or strengthen collaboration. The next section highlights some of the principal challenges that arise in operational collaboration between the Bank and NGOs as well as ways in which the Bank is seeking to address these issues. NGO involvement in the Bank's research and analytical work is discussed in section six, and the final section describes the dialogue and interaction between the Bank and NGOs on development policy issues.

Building relationships is a long and complex process. It is hoped that this booklet will serve as a useful resource in this endeavor.

THE WORLD BANK'S PARTNERSHIP WITH NONGOVERNMENTAL ORGANIZATIONS



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*Participation and NGO Group
Poverty and Social Policy Department (PSP)
The World Bank
May 1996*

INTRODUCTION

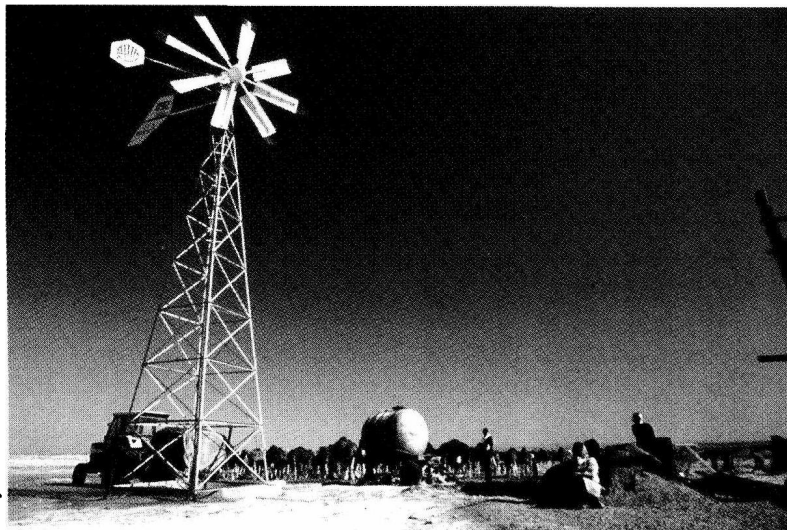
The overarching objective of the World Bank is to work with member countries to fight poverty and to contribute to their long-term economic and social development. In the last two decades, the lives of people in the developing world have improved significantly: average per capita income has doubled, child mortality has been reduced, and life expectancy and literacy rates have risen. Nonetheless, more than 1 billion people continue to live in absolute poverty.

The complexities of development have become more apparent as experience is gained in this process. The increased recognition of the limitations of the public sector and a greater reliance on the private sector to effectively address the problems facing developing countries have led to a greater awareness of what different actors in civil society can contribute to national development. This shifting development context has led to a move away from strictly bilateral donor-government relationships and toward a greater focus on partnerships between governments, donors, and civil society. Including the poor in the decisions that concern them and ensuring broad stakeholder participation at all levels is a fundamental aspect of this partnership, and many key development issues—such as gender and the environment—require action at the grassroots level and a focus on the views of the most vulnerable groups in society. In recognition of the importance of participation, the Bank has begun a process of mainstreaming participatory approaches in its lending operations and its research and analytical work.

In this context, the World Bank recognizes the important role that nongovernmental organizations (NGOs), both local and international, play in meeting the challenges of

development. NGOs and community-based organizations (CBOs) often have closest contact with the poor, are best able to help them directly, and are well suited to helping them identify their most pressing concerns and needs. Their local knowledge and expertise and their ability to foster and promote people's participation thus give them strong comparative advantages and can make them valuable and experienced allies. Working with NGOs in Bank-financed operations can increase project reach and sustainability, provide the Bank with alternative perspectives, and facilitate consultation with local people. NGO involvement in Bank-financed projects goes back 20 years, but it has now become a major element of the Bank's work. Since the end of the 1980s this relationship has expanded greatly in both quantity and quality. At the same time, NGOs have grown significantly worldwide, and their capacity to affect the development process has expanded accordingly. By 1993, for example, international NGOs' programs represented 14 percent of all development assistance, or \$8.5 billion per annum. More recently, advances in information technology have enabled NGOs to increase the sophistication of their networks and to adopt a more assertive, independent voice.

Recognizing these strengths and the potential for complementarity, the Bank is rapidly enhancing its capacity to work with NGOs. Though the Bank and NGOs do not always agree on specific policy issues or methods to achieve specific goals, with cooperation both parties can better achieve their antipoverty objectives. The World Bank welcomes the opportunity to work with NGOs and to share and learn from each other's experiences in improving living conditions and in protecting the environment.



THE WORLD BANK: ORGANIZATION AND OBJECTIVES

The World Bank is a multilateral institution whose purpose is to assist its developing country members to reduce poverty and improve living standards through sustainable development and investment in people. The Bank extends loans to its members in developing countries to finance investments that contribute to economic growth and the alleviation of poverty. It also provides specialized advice to help improve development programs and policies. The Bank's operations vary enormously in sectoral focus and scale: Bank-financed projects may modernize telecommunications, build schools and day care centers, improve road and rail systems, and provide agricultural extension services; they may aim at increasing the enrollment of girls in primary education, reducing malnutrition, training midwives, improving natural resource management, or supporting small enterprises; and, they may seek to enhance national economic efficiency, reduce excessive military expenditure, reorient incentives toward the poor, or phase out environmentally damaging electric subsidies. The World Bank's traditional project portfolio tended to focus on infrastructure and agriculture projects, however, today the Bank is the single largest international source of finance for health and education.

The World Bank Group comprises the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation, (IFC), the Multilateral Investment Guarantee Agency, (MIGA) and the International Center for Settlement of Investment Disputes (ICSID). Each agency is a legally and financially distinct entity. The IBRD and the IDA share the same staff and facilities, and the term "the World Bank" normally refers to both institutions. Most importantly, IBRD and IDA have three related functions: to lend funds, to provide economic advice and technical assistance, and to serve as a catalyst to investment by others.

IBRD works primarily with middle-income countries. It receives initial capital contributions from its member governments, but it finances its lending operations primarily by borrowing in the international capital markets. This enables the Bank to lend to developing countries on market-based, but more favorable, terms than most could otherwise obtain if they were able to borrow directly from the capital markets at all. IBRD loans generally have a 5-year grace period, and are repayable over 15 to 20 years. In fiscal year 1995 (FY95), IBRD approved loans totaling \$16.853 billion for development projects and programs.

IDA works with the poorest countries which are not able to borrow at the IBRD terms. To these countries, it lends "IDA credits," or money at concessional terms. These have a 10-year grace period and a 35- or 40-year repayment period, and carry no interest rate. IDA lending is supported by the wealthier member countries, which make contributions known as "replenishments" out of their aid budgets every three years. In FY95, IDA approved credits totaling \$5.669 billion for development projects and programs.

The IFC works directly with the private sector in member countries. It seeks to promote growth in the private sector of developing countries by mobilizing foreign and domestic capital to invest alongside its own funds in commercial enterprises. MIGA was established in 1988 to encourage direct foreign investment in developing countries by protecting investors from non-commercial risk, especially risk of war or repatriation, and the ICSID encourages the flow of foreign investment to developing countries through arbitration and conciliation facilities.

The World Bank provides funds and advice mainly for governments of borrowing countries. Bank-financed projects are designed and implemented by government agencies or private entities, with the Bank closely involved at each stage. While private organizations are often involved, World Bank loans are made to member governments, which then pass funds on to the relevant private or public agencies. Loans can also be made to the private sector with government guarantee, and the World Bank can further guarantee private sector financing. The Bank continuously seeks out alliances with other participants—multilateral, bilateral, commercial, governmental and nongovernmental, and private sector entities—in order to increase coordination and the effectiveness of its efforts.

The World Bank operates under the authority of the Board of Governors. Each of the institution's member countries is represented by one governor, generally the Finance Minister. The Board of Governors meets once a year. It delegates its authority to a smaller group of representatives, the Board of Executive Directors, based at Bank headquarters in Washington, DC. In weekly meetings chaired by the Bank's President, the Executive Board decides on Bank policy and approves Bank loan and credit proposals. Member governments are the Bank's shareholders, and their votes in the Executive Board are weighted in proportion to their

contribution to the Bank's capital. Seven of the Board's 24 members represent single countries and are appointed by the largest shareholders, while each of the remaining 17 represents a group of member countries.

The Bank is organized into seven operational regions, each headed by a vice president, with the exception of the Africa Regional Office which is headed by two vice presidents. Within each region are country departments that are responsible for the Bank's operations in a group of countries (or sometimes a single country), and a supporting technical department. The operational work is supported by 6 regional missions and 66 field offices throughout the world. The World Bank's regular staff number about 6,000 and represent over 100 nationalities.

Most of the Bank's policy and research work is undertaken in what is known as the central vice presidencies, which include Development Economics (DEC), Environmentally Sustainable Development (ESD), Finance and Private Sector Development (FPD), and Human Capital Development (HCD). HCD is also home to the Participation and NGO Group, a central resource within the Bank for coordination with NGOs, and often a first point of call for NGOs (Box 1). NGOs also interact directly with the Bank's regional and sectoral vice presidencies at headquarters and—particularly southern NGOs—with the Bank's field offices in borrower countries.

Box 1: THE PARTICIPATION AND NGO GROUP

The Bank's Participation and NGO Group is a central source of NGO-related information, expertise, and outreach within the Bank.

Major functions pertaining to NGOs include (i) facilitating operational collaboration, particularly the "upstream" involvement of NGOs in project design and consultation with stakeholders; (ii) making Bank-NGO policy dialogue as constructive as possible, including advising on consultations with NGOs and supporting the NGO-World Bank Committee; (iii) providing information to Bank staff and others about NGOs, and to NGOs about the Bank, acting as a first point of call; (iv) monitoring Bank-NGO collaboration and documenting lessons learned; and (v) helping operational staff foster a more positive policy environment for NGOs in developing countries.

The Group also manages an NGO Profile Database, which contains information on over 8000 NGOs. Information from the NGO Profile Database is available to Bank staff, NGOs, and other interested parties upon request (see Annex A for addresses).



NONGOVERNMENTAL ORGANIZATIONS

The term “*nongovernmental organization*” embraces many different types of agencies whose diversity strains any simple definition. However, the World Bank usually refers to nongovernmental organizations as any group or institution that is independent from government, and that has humanitarian or cooperative, rather than commercial, objectives. Specifically, the Bank focuses on NGOs that work in the areas of development, relief or environmental protection, or that represent poor or vulnerable people.

The Bank also distinguishes between two main groups of NGOs: *operational NGOs* (ONGOs) and *advocacy NGOs*

(ANGOs). However, it does not view these distinctions as rigid and recognizes that the majority of NGOs operate along a continuum in which a great deal of overlap exists. For instance, many operational NGOs are active players in national and international policy fora and can also undertake an advocacy role with partners such as borrower governments and the Bank in the context of program implementation.

The World Bank works with both operational and advocacy nongovernmental organizations in field operations, research and analytical work, and policy dialogue.



THE NGO-WORLD BANK COMMITTEE

One of the oldest fora for Bank-NGO interaction is the *NGO-World Bank Committee*. The Committee was established in 1982 to address ways in which the Bank could increase the involvement of NGOs in Bank-financed projects. In the mid-1980s, the Committee shifted its focus toward more policy-related areas. The Committee's meetings provide a formal, international arena for policy discussions among senior Bank managers and 26 NGO leaders from around

were presented at committee meetings in 1993. Discussions on participation have covered such areas as the links between participation and improving portfolio quality, a case study commissioned by Oxfam-Bangladesh on "People's Participation, NGOs and the Flood Action Plan", and ways to make the Bank's Country Assistance Strategies (see Box 2) more participatory. At the end of 1994, the Committee decided to place more emphasis on regional-



the world. NGO members of the Committee collectively form the *NGO Working Group on the World Bank (NGOWG)* and represent all geographic regions: five members each from Africa, Asia, Latin America and the Caribbean, and Europe, and four from North America/Pacific; two members are international. The NGOs determine the membership through a staggered election process that allows for annual rotation and diversity of NGO representation. The NGOWG has a Secretariat which is located in committee member organizations and which is also elected on a rotating basis. The Secretariat is currently located at the Costa Rica headquarters of the Latin American Association of Development Organizations (ALOP) at the address listed in Annex A.

In recent years, the committee has focused upon structural adjustment and participation. NGO members commissioned three country-level studies of structural adjustment which

level discussion and, beginning in 1995, the annual spring meeting has given way to three regional meetings which are coordinated by regional members of the Committee (see "Policy Dialogue" below for more details on the meetings).

As the Bank's interaction with NGOs has increased significantly over the past decade, other fora for this relationship have emerged to complement the Committee's work. However, the Committee remains unique because of its geographical representativeness and its continuity, and it continues to be an important forum for Bank-NGO interaction. NGOs wishing to know more about Committee membership may contact the NGOWG Secretariat directly. The Participation and NGO Group is also always available to respond to queries about the Committee.

WORKING TOGETHER IN BANK-FINANCED PROJECTS

Operational collaboration between the World Bank and NGOs has greatly intensified over the last decade. While only six percent of all Bank-financed projects in the period 1973–1988 included provisions for some form of involvement by NGOs, NGOs were to be involved in about 30 percent of all Bank-financed projects in FY93, and between 40 and 50 percent of projects approved in FY94 and 95. Although it must be noted that NGO involvement varies and often can be quite limited in any one project, these figures mark a positive trend toward increased operational collaboration. The Bank is striving to increase both the quantity and quality of NGO involvement in Bank-financed projects.



The Bank and NGOs have most often worked together in agriculture and rural development projects, and have also frequently collaborated in infrastructure and urban development and population, health, and nutrition. Africa and South Asia remain the regions with the largest numbers of NGO-associated projects. The geographical distribution of NGO participation in Bank-financed projects has broadened in recent years to include regions such as East Asia and Latin America.

Since FY88, the Bank has made a special effort to engage local, as opposed to international, NGOs in its operations, given their on-ground presence and first-hand knowledge of the needs and interests of local communities. In FY95, CBOs and national NGOs were prominent in NGO-associated projects, while international NGO presence diminished significantly. More detailed information is given in the annual Progress Report on Bank-NGO Cooperation, which is available directly from the Participation and NGO Group (see Annexes A and C for addresses and bibliography).

Experience has shown that collaboration is most successful when NGOs are involved from the beginning of the project cycle. The World Bank project cycle is complex and it is suggested that NGOs familiarize themselves with it before entering into partnership. Box 2 describes the stages of the cycle.

NGOs can play specific roles at various stages throughout the project cycle. During project identification, NGOs that are familiar with the area and enjoy links with local groups can provide both Bank and government with valuable

information about local conditions and community priorities. They can also inform local populations about the planned project, organize consultations with people affected by it, and work with them to make their voices heard. For example, in an education project in Chad, national NGOs worked together with the Bank, government officials, and community groups to identify local primary education problems and ways to address them. In some cases, NGOs have provided project ideas, or existing NGO projects have served as a model for Bank-financed activities. Oxfam's program of "water harvesting" in Burkina Faso, for example, served as a model for Bank operations in soil and water conservation throughout the Sahel.

Although numbers have risen in recent years, still only about 50 percent of the projects approved in FY95 involving NGOs included NGO input during project design. The Bank is aware that if NGOs are expected to participate in Bank-financed projects in a meaningful way, it is important that they have a say in the design of the project, including defining the terms of their own involvement. This is particularly important in areas where NGOs are judged to possess clear comparative advantages as, for instance, in projects emphasizing beneficiary participation, community mobilization and poverty reduction. During the design of an earthquake reconstruction project in Guatemala, for example, it was determined that the national housing bank lacked the capacity to handle the micro component of the project. Instead, a federation of NGOs was given the responsibility for the component, informing beneficiaries, identifying cooperatives eligible for funds, assisting them in preparing proposals for micro projects, and disbursing funds.

Box 2: THE WORLD BANK PROJECT CYCLE

The Bank's project cycle covers the life of a typical project from identification of needs and priorities until the final completion of work and evaluation of results. Though not rigid, the cycle can be seen as a six-step process which typically takes about 10 years and throughout which World Bank staff work closely with borrowers in government. At any stage of the project cycle, there may be opportunities for NGOs to work in partnership with the Bank and, as mentioned above, involvement early on in the course of the cycle—e.g. in identification and preparation—is key. The Bank's involvement in a project is managed by a team of Bank operational staff headed by a **task manager (TM)**. The TM is assisted by sectoral specialists and members from the region's technical departments or the central vice presidencies. The TM works in close partnership with the borrower and other parties involved, including NGOs.

The overall framework for the Bank's involvement in a country is the **Country Assistance Strategy (CAS)**. The CAS describes the Bank's strategy, including the level and composition of assistance to be provided on the basis of priorities in the country and the country's portfolio performance. The CAS is generally prepared in dialogue with the government and is then considered by the Bank's Board; however, the CAS is the Bank's strategy. Any differences between the country's own agenda and the strategy advocated by the Bank are highlighted in the CAS document. The Bank has recently begun consulting NGOs and other parties outside of government in the CAS preparation process; this has been the case especially in Africa.

The first phase of the project cycle, **identification**, is carried out by the borrower with the Bank's assistance, as needed. During this initial stage, planners answer questions such as Who will benefit from the project? Will the project contribute to economic development or poverty alleviation? How will it affect local populations? Will project benefits be greater than costs? Are there other options for achieving the same objective? While only governments can submit projects for Bank financing, proposals may come from several sources, such as UN agencies, private sponsors, or NGOs. Project identification is based on different sources of information such as the borrower's development budget and feasibility studies, and the Bank's own country-level research and analysis known as **Country Economic and Sector Work (CESW)**. NGO involvement in ESW has been increasing, and is important for NGOs' contribution of local knowledge and alternative perspectives (see "Cooperation in Research and Analysis" below). At this stage of the cycle, a **Project Information Document (PID)** which describes the project is prepared by the World Bank and is made publicly available through the Bank's Public Information Centers (see "Policy Dialogue" below) and field offices in the country concerned.

Once the priority for the project is agreed upon, the next stage, project **preparation**, begins. Preparation—primarily the responsibility of the borrower, at times with heavy input from the Bank—transforms the project idea into a detailed proposal that takes into account technical, economic, social, institutional, financial, and environmental factors. Factual and technical reports prepared at this stage may be made available to outside parties upon request. NGOs are encouraged to be involved in project preparation.

The Bank then conducts an **appraisal**, or detailed review, of the proposal. During on-site visits, a team of Bank staff and consultants undertake an independent assessment of the project, including the capacity of implementing agencies. The team summarizes its findings and recommendations in a **Staff Appraisal Report (SAR)**, which, after being reviewed within the Bank, forms the basis for negotiations with the borrower.

During the fourth stage, **negotiations**, the Bank and the borrower reach agreement on the measures necessary for a successful project. The SAR is then submitted to the Bank's Board of Executive Directors for approval. Once the loan or credit is approved, **implementation** of the project begins and the SAR is also made publicly available. The borrower is responsible for implementation, but the Bank plays an important role in supervision and, when needed, provision of technical assistance.

The sixth and final stage of the project cycle is **evaluation**, during which the project's outcome is measured against its original objectives. An **Implementation Completion Report (ICR)** is prepared by the country department (CD) prior to the anticipated closing date and distributed to the Bank's Board not later than six months after that date. An independent department within the Bank, the Operations Evaluation Department (OED), is responsible for rating the development impact and performance of all completed projects. OED reports its findings directly to the Bank's Board and President. Results and recommendations feed back into the design and implementation of policies and lending operations. OED recently began an assessment of the contribution of NGOs to the development effectiveness of Bank-financed projects.

In the case of projects that are likely to have adverse environmental impacts, the Bank requires an appropriate environmental assessment (EA) as described in Operational Directive¹ 4.01, Environmental Assessment. For those that involve the most significant impacts (known as Category A projects), OD 4.01 requires that the borrower consult with affected groups and NGOs during at least two stages of the EA process: i) during the preparation of terms of reference for the assessment; and, ii) once a draft assessment report has been prepared. Consultation throughout the course of the EA is also encouraged and is happening in an increasing number of projects. This represents an opportunity for NGOs to contribute their local knowledge and to ensure that the voice of disadvantaged groups is heard.

NGOs are most frequently involved in Bank-financed projects as consultants or implementing agencies. The borrower can use Bank funds to engage NGOs for specific tasks and roles. These have included project management, service delivery, training, and community development. To date, NGOs' most substantial involvement in project implementation has been in the context of the numerous social funds (SFs) supported by the Bank (Box 3). In FY95, NGOs played an implementing role in 78 percent of projects approved that involved NGOs. As contractors/service deliverers, NGOs have been particularly valuable in situations where government or private sector capacity is weak. For example, in an agricultural development project in Sierra Leone, CARE was contracted to implement a road construction component when it was recognized that

Box 3: SOCIAL FUNDS

Bank-financed social funds (SFs) offer one way for the Bank and NGOs to work together toward reducing poverty and mitigating the negative social impact of adjustment. A SF channels resources to demand-driven subprojects that are proposed and implemented by public, private, or voluntary (formal or informal) organizations. These subprojects are aimed at improving poor people's access to social services, employment opportunities, and income-generating assets. To date, the Bank has financed some 30 major social funds, mainly in Latin America and Africa, amounting to more than US\$1.0 billion. A considerable part of that amount has been channeled to operational NGOs, both national and international, and CBOs.

The first Bank project of this kind was the Bolivian Emergency Social Fund, created in 1986 to provide temporary assistance and income-earning opportunities to those hardest hit by the country's economic crisis. Since then, there has been a shift in emphasis from the relief that characterized the earlier funds to long-term development activities and poverty reduction.

Concomitantly, the nature of NGO involvement in the SFs has deepened, moving beyond implementing subprojects and cofinancing to participating in the design of funds and serving on the committees that select, monitor, and evaluate sub-projects. Experience has shown the importance of ensuring NGO participation in the design as well as the administration of SFs—particularly to help guard against the funds being distorted toward political objectives. Furthermore, involvement of beneficiaries in the subproject cycle is vital to long-term sustainability, and often NGOs experienced in working with beneficiaries are well positioned to support local participation in community development. Where local communities are poor and lack the skills to develop project proposals, intermediary NGOs can provide them with technical assistance in project preparation, supervision and maintenance.

NGOs operating in countries where SFs have been established can submit requests for financing of their projects to the national agency in charge of administering the fund. Each fund has its own predetermined selection criteria, and different types of activities are supported under different funds. NGOs should therefore ensure that their project proposals are in line with the criteria established by a specific fund before they submit proposals.

¹ Operational Directives (ODs), issued between 1989 and 1992, are documents which set forth how the Bank does its work and are primarily intended to guide staff. The Bank is in the process of replacing ODs with Operational Policies (OPs), which are short statements of policy, and Bank Procedures (BPs), which spell out the required documentation and common set of procedures needed to ensure operational consistency and quality. In addition, to further assist Bank staff in carrying out policies and procedures, the Bank produces Good Practices (GPs), documents which outline special considerations and best practice examples. OPs, BPs, ODs that have not been replaced, and GPs are available to the public upon request from the Bank's Public Information Centers (PICs) (Annex B).

government lacked the capacity to do so while CARE had considerable experience in building feeder roads and already possessed some of the necessary equipment. In some projects, NGOs contribute their own time, resources, or facilities and are considered as project cofinanciers. In a few cases, large international NGOs or foundations have made cash contributions toward Bank-financed projects. In 1989, Rotary International transferred \$15 million to the Bank—the largest grant ever received from an NGO—to assist in the construction of a state-of-the-art polio vaccine production facility in China. Construction of the plant, which is expected to begin operations by 1996, is supervised jointly by the Ministry of Health, the Bank, and Rotary. NGOs have also independently financed activities that complement or enhance the impact of Bank-financed projects. In Brazil, for example, NGOs purchased television sets for a number of preschools in order to ensure that children would have

access to the educational programs funded through a basic education project.

NGO involvement in the monitoring and evaluation of Bank-financed projects has become increasingly common in recent years. In a rural development project in Paraguay, for example, local NGOs were contracted to monitor the impact of the project on indigenous people. In a recently approved project in Ecuador, the EA was carried out in close collaboration with local environmental NGOs and recommended that specific protective measures be incorporated into project design. To ensure that these measures are adhered to and that governmental commitment remains constant, local NGOs have been invited to participate in a consultative group that will monitor the implementation of the EA recommendations.

NGOs THAT ARE INTERESTED IN WORKING WITH THE BANK MAY WISH TO TAKE THE FOLLOWING STEPS:

- For NGOs located in developing countries, the best starting point is to meet staff in the Bank's field offices who can point out possible areas of involvement for locally active NGOs. To strengthen outreach and communication with NGOs at the country level, the Latin America and Caribbean (LAC) and Africa Regional Offices have recently established NGO liaison positions in their field offices (These are listed in Annex A while World Bank field offices are listed by country in Annex E).
- NGO representatives who can visit Bank headquarters in Washington should arrange to meet country officers in the country departments (CDs) and sectoral experts working in the CDs, as well as technical department specialists most relevant to their interests (e.g., population and human resources, or environment). The Participation and NGO Group can assist in facilitating such interaction.
- At the same time, it is suggested that NGOs also get to know staff in the government agencies that implement the project. A constructive Bank-government-NGO "dialogue" is essential for successful partnership. In this regard, since government-NGO relations are not always easy, the Bank frequently plays a role in bringing governments and NGOs together to discuss issues of common concern, and encourages governments to provide a more enabling environment for civil society.
- Finally, NGOs may also want to take advantage of information resources available in the Bank's Public Information Centers (see "Policy Dialogue" below, Annex B, and Box 6) and in its field offices such as country reports or economic and sector reports.
- It may also be quite helpful for NGOs to have a copy of the World Bank Directory, which is updated every three to four months and is sold at the World Bank bookstore (for the address, see Annex A).

ISSUES IN BANK-NGO OPERATIONAL COLLABORATION

Many challenges face both NGOs and Bank staff who are interested in initiating or expanding their relationship.

To address these issues—some of which are highlighted in the section below—in early 1994 the Bank established a Task Force on Operational Collaboration to bring together senior operational managers and a number of operational NGOs with experience in working with the Bank to review existing Bank policies, procedures and common practices, and to identify ways to enhance operational collaboration.

The Bank has also organized a number of workshops for exchanging information with NGOs on operational procedures and priorities. The first such workshop was held in July 1994 at World Bank headquarters. Following this successful experience, it was decided to concentrate on workshops within developing countries. The first of these was held in Tanzania in January 1995 and was attended by more than 60 participants, including a large number of community-based local NGOs, international NGOs, government officials, and donor and UN agency representatives. The workshop was an opportunity to provide an overview of the Bank's activities in Tanzania and to give an understanding of its country lending strategy. In April 1995, a similar workshop was held in Colombia with participants from across Latin America. This meeting focused on ways in which NGOs, governments, and the World Bank could better work together to achieve their development goals. In May 1995, the World Bank office in Argentina organized a workshop to discuss operational collaboration with NGOs and government officials in the province of Cordoba; it will follow up with similar meetings in other provinces over the coming year. The World Bank expects to continue sponsoring such workshops at the rate of at least two countries per year.

CHANNELING FINANCIAL RESOURCES TO NGOs

Funding is one of the principal issues in Bank-NGO operational collaboration. The World Bank does not fund NGOs directly; the most common way for an NGO to receive project funds is by working as a paid consultant or contractor to the borrower. Bank-financed projects are

sometimes designed to include mechanisms for channeling funds to NGOs—the most significant are the social funds (Box 3)—and the Bank's own resources can also be used to collaborate with NGOs directly on the Bank's activities. For example, task managers can apply to the *Fund for Innovative Approaches in Human and Social Development* (FIAHS)² and the *Institutional Development Fund* (IDF)³ with proposals for activities supporting NGO involvement. A very limited number of grant programs—also internal—are the exception to these general rules and are outlined below.

The Bank's *Special Grants Program* (SGP), for instance, may be an occasional source of support to NGOs. The SGP finances regional and global programs and activities that are important to the development process and complementary to the Bank's operational work. Applications for grants to the program are prepared and submitted by Bank task managers who have identified an activity for support. SGP contributions generally do not exceed 15 percent of a proposed program's total funding, and grants typically fall in the range of \$200,000 to \$2 million. Some provide one year of funding only, while others are multiyear but have a clear exit strategy. Most of the grants are made to research institutions, UN agencies for specific initiatives, and regional initiatives. However, some of the grant recipients are NGOs. In recent years, for example, the SGP has been used to provide support to developing-country NGOs participating in the International Conference on Population and Development in Cairo, in the World Summit on Social Development in Copenhagen, and in some activities of the NGO Forum of the Fourth World Conference on Women in Beijing. The SGP has also funded some initiatives in the population and health sectors: the *Safe Motherhood Initiative* grant provides funding to NGOs for advocacy, research and activities; and the grant for *Population NGOs* seeks to identify and strengthen the capacities of small, grassroots indigenous NGOs, and funds initiatives that exemplify new, integrative approaches to demand creation and service delivery. NGOs wishing to propose activities for SGP funding might therefore seek to identify appropriate Bank task managers in relevant departments for sponsorship. It is important to keep in mind

² FIAHS is a three-year fund established in July 1994 to support the promotion of participation and the undertaking of social assessments in the context of the Bank's activities. FIAHS is an internal fund and FIAHS grants are made to requesting departments on a matching basis. Past FIAHS-supported activities have included a social assessment of girls' schooling opportunities in Pakistan and strengthening indigenous participation in oil development decisions in Western Siberia.

³ IDF grants are used in low income countries to finance technical assistance (TA) activities that (a) are part of the Bank's CAS, (b) support institutional development in areas of special operational emphasis such as poverty reduction or gender issues, or (c) are directed toward policy reform or capacity building for country management of TA. Though normally used to develop the capacity of official bodies, the IDF can be a source of support for NGO capacity building. In Bolivia, for example, an IDF grant was used to develop the management skills and institutional capacity of indigenous peoples' organizations. The grant was based on the recognition that special efforts were needed to overcome the structural obstacles that have traditionally impeded the flow of development benefits to indigenous peoples and prevented their direct participation in Bolivia's development process. Like FIAHS, IDF is an internal fund which awards grants to requesting departments.

that the program receives numerous applications and that the selection process is highly competitive. For general information on the SGP, NGOs may contact the SGP Secretariat at the address listed in Annex A.

Within the SGP, there is also a *Small Grants Program* which was established in 1983 to promote dialogue and dissemination of information about international development among diverse audiences, such as NGOs, governments, the private sector, and international aid agencies. The Small Grants Program supports conferences and seminars, special publications, networking activities, and other development education and information-related activities for which small organizations frequently lack adequate funding. The program does not provide support for NGO development projects. Past activities have included



women's leadership seminars in India, a microenterprise workshop in the Philippines, and an international conference for NGOs on Black Sea environmental problems. Grants are typically in the range of \$10,000 to \$15,000, and normally do not fund more than half of the activity's total budget. The program disburses a yearly total of approximately \$600,000. Like the SGP, this program receives large numbers of applications and competition is keen. For information and application guidelines, NGOs may contact the Small Grants Program Secretariat at the address in Annex A.

The *NGO Small Grants Program* of the Global Environment Facility⁴ (GEF), administered by the UN Development Program (UNDP), supports community-based activities by grassroots organizations and NGOs in developing countries

that demonstrate innovative approaches to environmental issues. (The facility is jointly implemented by the World Bank, UNDP and the UN Environment Program). The NGO Small Grants Program places heavy emphasis on decentralized decision-making, leading to more community-level responsibility and increased NGO involvement. National selection committees that include local NGOs are set up to develop national strategies and criteria for funding, as well as to solicit proposals from local NGOs, administer funds and evaluate performance. The address of the GEF NGO Small Grants Program is listed in Annex A.

Under the *Consultant Trust Funds* (CTFs) program, grant funds provided by donors to support both their consultant community and the Bank's programs have been used in the past to support special studies or activities related to NGOs. In addition, the Japanese Government finances a *Policy and Human Resources Development* (PHRD) Fund which provides grants for project preparation activities, training and scholarship programs of the EDI, and special studies. PHRD grants for project preparation aim to promote the active participation of all stakeholders, particularly that of the ultimate beneficiaries. (An informational pamphlet on cofinancing is available at the World Bank bookstore, see Annexes A and C for listings).

As a follow-up to the 1993 Hunger Conference sponsored by the Bank (see "Policy Dialogue"), the Bank's Board of Executive Directors approved the establishment of a *Consultative Group to Assist the Poorest* (CGAP) in June 1995. CGAP is a multidonor effort to reduce poverty by systematically focusing resources in the field of microenterprise. CGAP's specific objectives are to (i) support and expand sustainable microfinance and microenterprise initiatives; (ii) increase learning and dissemination of best practices for delivering financial services to the very poor; (iii) strengthen donor coordination; and (iv) help create an enabling environment for microlending institutions. The nine founding members of CGAP pledged approximately US\$200 million to the program. Of this total, the World Bank's cash contribution of \$30 million will be used to establish a micro-finance facility which will provide grants and/or loans to institutions that provide financial services to the poor, and will focus on enabling very poor men

⁴ The Global Environment Facility (GEF) provides grants and concessional funding to developing countries for project and programs that protect the global environment and promote sustainable development. The GEF was launched as pilot project in 1991, and was restructured and replenished in 1994. Within the World Bank, the Global Environment Coordination Division is responsible for overseeing the Bank's GEF portfolio, and organizes workshops for interested parties in GEF-eligible countries to explain the activities of the GEF. NGOs interested in World Bank-implemented GEF projects, may contact the Global Environment Coordination Division at the address listed in Annex A.

and women to become more productive. A variety of institutions will be eligible for financing from the proposed fund, including NGOs, credit unions, cooperatives, and private business associations. Guidelines for requesting agencies were approved in early 1996 and are available in English, French and Spanish. For further information, NGOs may contact the CGAP Secretariat at the address listed in Annex A.

CAPACITY BUILDING

As cooperation with NGOs develops, the World Bank and other donors have become aware that in many countries the NGO community is still in nascent phases or faces significant institutional, legal, financial, or political barriers. Strengthening the capacity of NGOs to contribute to the development process is an important issue for many international NGOs and official aid agencies, including the World Bank.

In the context of operational collaboration, the Bank can contribute to capacity-building of NGOs through training, promoting NGO partnerships, and supporting NGO networks and information-sharing. The Benin Community-based Food Security Project provides a good example of NGO partnering: when a two year pilot phase revealed that local NGOs faced several human and material constraints, NGOs, the government and donors decided that international NGOs would work together with a local counterpart in project activities thus providing support and facilitating technology transfer.

Outside of project work, the Economic Development Institute (EDI)—the World Bank's training and learning branch—includes NGO participants in many of its activities (see Annex A for EDI's addresses and numbers). EDI is strongly committed to broadening the audience for its learning activities beyond senior government officials. Thus, because NGOs have an increasingly important role in the development process, EDI continues to invite their representatives along with journalists, parliamentarians, and representatives of the public and private sectors. EDI most frequently asks NGOs to participate in programs concerning girls' education, reproductive health, AIDS, poverty, resettlement, environment, natural resource management, and private sector development (including micro, small, and medium enterprises). NGO staff also act as resource persons for the design and delivery of many programs and, in some cases, NGOs are the principal partners in organizing activities (Box 4). Some of these activities seek to improve government/NGO collaboration or, especially in countries in transition, to help officials and citizens understand what NGOs are and can do.

Box 4: EDI PROGRAMS WITH NGOS

In India, the Women's Enterprise Management Training Outreach Program (WEMTOP) works through some 30 NGOs to design and deliver management training to enhance the income-generating capability and self-reliance of women microentrepreneurs. EDI's lead partner for this program, the NGO Udyogini, is currently preparing to move from an initial pilot project in three states to an expansion phase.

In LAC, a multiyear program aims at strengthening NGOs working in urban poverty and at facilitating more NGO-government dialogue on urban sector issues. Assistance is mainly provided through FICONG, a regional institution responsible for training and strengthening NGOs in this sector.

Over the past three years, EDI has sponsored a major initiative in building up the capacity of a number of NGOs in Benin, Burkina Faso, Mali, and Niger, under the title "Strategic Planning and Management for African NGOs." The rationale for this program was brought forward in a 1992 meeting of Francophone African NGO leaders, who identified strategic planning and management as significant prerequisites to help NGOs work on developing longer-term, more coherent programs and better linkages to government and donor activities. By early 1996, the program's pilot phase is nearing its end. Training manuals describing the training methodologies for NGO strategic planning and management are being developed and field-tested by participating NGOs and NGO umbrella structures. An evaluation of the program is planned for 1996, with the purpose of extracting the main principles and lessons learned during the pilot phase and formulating recommendations for the future. Main findings will be presented in a workshop at World Bank headquarters in Washington, DC. As a final output of the program's pilot phase, a summary of cutting-edge methods and strategies piloted by the program will be published and widely disseminated.

Two new programs in Mali and Madagascar also have major NGO involvement. In Mali, NGOs and other members of civil society will be involved in a public sector reform program that aims to make governments more responsive and client-oriented. Elements of the reform program may include public financial reform, civil service reform, legal reform, and a more enabling environment for private sector development. In Madagascar, EDI is facilitating a program of activities to develop dialogue and cooperation between