

Working with CSOs in ADB-Financed Projects

Small, nimble, and with good local knowledge, NGOs can be effective and efficient vehicles for mobilizing and reaching project beneficiaries.

ADB Governance Policy

Project Identification and Design

During project identification, CSOs familiar with the project area and its residents can provide valuable information about local conditions and community priorities.

During the fact-finding stage of project preparatory technical assistance (PPTA), an initial stakeholder analysis can be undertaken to determine which groups have an interest in the project, identify their interests and capacities, and determine which of these might support or hinder project implementation. CSOs—particularly those operating at the grassroots level—should be among the stakeholder groups included in any stakeholder analysis.

If the initial stakeholder analysis and consultation and participation (C&P) plan cannot be prepared as part of PPTA fact-finding activities, they can instead be included in the consultant's terms of reference for the PPTA and addressed in the inception report. This, of course, assumes that the consultant has sufficient knowledge to conduct the initial stakeholder analysis at this stage of project preparation. Early awareness of stakeholder views and inputs can help ensure that the design of the project in question responds to the requirements of the beneficiary community, and can also help identify potential environmental and social impacts that might otherwise be overlooked. In this respect, CSOs can serve as informal advisers.

Five Tips for Involving CSOs in Project Design

1. Determine the capacities, requirements, and processes of each party at the outset, and attempt to create a workable synergy. Many CSOs seek a partnership relationship in ADB-financed projects, but are unaware of limitations created by ADB procedures or government requirements. Note that treating CSOs simply as commercial subcontractors can lead to resentment and lost opportunities for collaboration.
2. Establish a dialogue with CSOs as early as possible in the project design process. Subcontracting tasks to CSOs without consulting them during the design stage is likely to lead to tensions during implementation.
3. Identify the possibilities for—and limits to—*collaborative decision making* relating to project objectives and timetables. Shared decision making and transparency regarding operational requirements often helps establish mutual understanding and avoid or resolve conflicts.
4. Do not overestimate the capacity of the CSO in question. In countries in which CSOs have not operated for a significant length of time, development strategies may still more represent rhetoric than reality.
5. In cases in which there is a risk of tension during implementation over processes versus outputs, reach a clear agreement at the outset regarding (i) what constitutes a satisfactory level of community organization or preparedness, and (ii) which indicators or milestones are to be used in monitoring implementation progress.

Source: *ADB Handbook on Social Analysis*. 2007.

If CSOs are expected to participate in an ADB-assisted activity in a significant way, it makes sense to provide them with the opportunity to influence the project design, and to define the terms of their involvement.

In addition to being among those consulted, CSOs can take on active roles at this stage of project preparation. Examples of such roles include arranging consultations and organizing beneficiary communities, conducting surveys, contributing to assessments relating to safeguards, and disseminating information.

CSOs can also be a source of project models that can be scaled up, or a source of field experience valuable to ADB-assisted activities. In addition, larger CSOs can also cofinance ADB-supported projects or fund activities that complement ADB-assisted initiatives. Even in cases in which CSOs are not in a position to provide financial resources, they may still be able to make in-kind contributions, e.g., in the form of staff time.

Project Implementation

ADB-financed projects sometimes engage CSOs to assist with implementation. For example, one project in Sri Lanka engaged domestic CSOs to work with local communities to improve rural water and sanitation systems. CSOs likewise provided training to local water users' associations relating to financial management and technical maintenance. They also educated villagers in environmental issues and practical hygiene.

During review missions, ADB staff can invite CSOs to join participatory workshops as a means of increasing local community involvement and ownership, and of generating a commitment to improve project performance. CSO involvement can also increase the chances that project benefits will be sustained after full loan disbursement by ensuring that beneficiaries have a stake in continuing project activities.

Monitoring and Evaluation

While ADB cooperation with CSOs in the monitoring and evaluation of ADB-assisted projects has been limited, there is significant potential for expanding ADB–CSO cooperation in this area, particularly in the identification or tracking of potentially negative social and environmental impacts of projects. This is particularly



Indonesian community-based groups known as Badan Keswadayaan Masyarakat were engaged to implement simple civil works, such as improvement of local drains and footpaths in the Neighborhood Upgrading and Shelter Sector Project

ADB–NGO Cooperation in Post-Tsunami Reconstruction

Following the earthquake that struck the far west of Indonesia in March 2005, ADB worked closely with United Nations (UN)-Habitat and four NGOs to help local communities reconstruct and rehabilitate their homes in Aceh and Nias. These included Cordaid Sumatera, Hilfe zur Selbsthilfe e.V. (a German NGO whose name literally translates as “Help through Self-help”), Muslim Aid, and German Agro Action. ADB contributed about \$30 million to the reconstruction program on Nias Island, half of which was allocated to housing. This assistance to Nias was part of a \$291 million ADB grant that helped rebuild areas devastated by the December 2004 earthquake and tsunami, and the subsequent earthquake that struck Aceh and Nias a few months later.

ADB’s housing program on Nias provided for about 1,500 new houses and rehabilitation of nearly 900 homes. ADB signed a collaboration agreement with UN-Habitat for the reconstruction of 486 houses. The remainder of the Nias housing program was implemented through Hilfe zur Selbsthilfe e.V. and BRR (the Government of Indonesia’s Aceh and Nias Reconstruction and Rehabilitation Agency). ADB engaged UN-Habitat and NGOs through contracts of up to \$5 million to reconstruct entire settlements.

BRR, NGOs, and international agencies adopted a community-led approach in the case of the Nias housing program in view of the island’s unique sociocultural conditions and logistical challenges. The program also gave special attention to addressing land ownership issues and ensuring the participation of women. A unique aspect of Nias villages is their intricate and subtle use of space. Typically, the street or square in front of the house is divided into a central paved public path, a semiprivate area used for drying crops or washing, a wall of stones indicating the social status of the owner, and a private stair or veranda that is used for purposes of entering the house itself.

Such traditional aspects of Nias culture were taken into account during reconstruction to ensure that the reconstructed homes would be acceptable to local residents.

true since the monitoring of projects is already a relatively common activity of advocacy NGOs, many of which are affiliated with the international coalition known as the NGO Forum on ADB. Such independent monitoring has frequently brought to light problems with project implementation, and has helped to generate solutions for addressing such issues.

When preparing project (and technical assistance) completion reports, staff can seek the views of CSOs familiar with the implementation of the project or technical assistance concerned. In fact, when drafting evaluation reports, the Operations Evaluation Department (OED) regularly interviews and collects data from various CSOs in addition to other stakeholders.

Program Loans

An increasing share of ADB lending comes in the form of program loans, which are often nationwide in coverage and typically involve major policy reforms. Identifying stakeholders, including CSOs, in the case of program loans can be a more challenging task than doing so for projects designed to have a narrower geographic impact and universe of affected persons.

While consulting all citizens of a country is clearly not feasible, intermediary organizations such as CSOs can help ensure that the views of a broad range of citizens, including those who may be negatively affected by reforms, are heard and taken into account. Such organizations, which may include professional associations, consumers unions, workers' representatives, and national and sectoral NGO coalitions, can thus function as an effective proxy for the views of the public at large in the country concerned.

An example of a sector program loan is the Community and Local Government Support Program in Indonesia. Implemented in the wake of the Asian financial crisis, the loan was designed to support the Government of Indonesia in accelerating the process of decentralization and local government reform as a means of enhancing efficiency in the delivery of basic services.

In India, through the Kolkata Environmental Improvement Program, NGOs have helped vulnerable female migrants in slums to form self-help groups to better cope with social problems, and to provide training on income-generating activities

ADB's regional technical assistance on Institutionalizing Civil Society Participation to Create Local Pro-Poor Projects promoted enabling environments for participatory budgeting in local government in three countries

During formulation of the program, field visits to six districts and five workshops were organized for the purpose of consulting with local governments, communities, and CSO representatives. Recommendations emerging from these consultations helped shape a program that ensured transparency as well as a relatively high degree of civic participation in the program.

Under ADB technical assistance, a detailed monitoring and evaluation plan was prepared with the inputs of stakeholders at the district and village levels that defined specific criteria and performance indicators. In this case, CSOs played an important role in four major areas: facilitation, mobilizing labor, oversight and advocacy, and impact monitoring and evaluation.

Grassroots NGOs acted as facilitators and assisted local governments in mobilizing labor from local communities and in supporting the involvement of micro- and small-scale enterprises. Locally based advocacy NGOs helped identify and promote priority public works, provided general support to the participatory aspects of the program, and contributed to the program transparency. Development NGOs trained facilitators from local governments and NGO staff.

The Role of CBOs

CBOs can play a useful role in developing ADB-financed initiatives, particularly in cases in which local participation is of critical importance. This is so because CBOs are capable of (i) empowering people, (ii) broadening the distribution of political and economic power, and (iii) eliciting a response by centralized agencies to community-level priorities.

The collective bargaining power generated by CBOs can enable poor people, the landless, small farmers and traders, and informal urban settlers to negotiate with government agencies with a unified voice. Participation by CBOs can also create opportunities for improving the availability and distribution of microfinance, production inputs, marketing structures and services, technical support, education, health, and other essential services, and do so in ways that are both responsive and accountable. In many cases, CBOs can reduce transaction costs in project design and implementation.



Under the Coastal Fisheries Management and Development Project in Papua New Guinea, NGOs helped communities to better understand the interdependence of sedentary and mobile elements of coral reef ecosystems and how easily they can be destroyed

