

CSOs as Consultants

Both ADB and executing agencies (EAs) recruit international, national, and local NGOs to work as consultants on various assignments, particularly those requiring a detailed knowledge of local issues, community needs, and/or participatory approaches. INGOs are sometimes included in short lists for technical assistance and loan consultants if ADB or a borrower finds their qualifications appropriate to the task at hand. Simplified recruitment procedures and contracting arrangements are often applied when contracting with smaller (e.g., national-level) NGOs.⁵

Hiring INGOs as Consultants

For purposes of engaging consultants, ADB defines an NGO as an “INGO” if it operates in more than one ADB developing member country. Many procedures for selecting INGOs for technical assistance or loan or grant projects are similar to those used in recruiting commercial consulting firms.

In cases in which technical assistance or loan projects require in-depth knowledge of local issues, community needs, and/or participatory approaches for which either international or national NGOs are the best qualified entities, quality- and cost-based selection (QCBS) is generally used when costs exceed \$200,000. In cases in which expected costs fall short of \$200,000, consultants’ qualifications selection is typically employed.

When ADB and EAs create a short list that includes both INGOs and commercial consulting firms, quality-based selection (QBS) or fixed budget selection procedures are employed. This is because most NGOs have a lower cost base than commercial firms. As a result, including cost in the selection process might give NGOs an

With support from ADB, Goth Sudhar Sangat Aghamani, an NGO, gathered data on violence against women, and promoted legal awareness through seminars, training sessions, and informational materials

⁵ Detailed procedures on engaging NGOs as consultants can be found in Project Administration Instruction (PAI) 2.02, Part H, Revised 1 January 2008. Available: www.adb.org/Documents/Manuals/PAI/PAI-202-partH.pdf

unfair advantage over commercial firms. QBS procedures take into account only the quality of the technical proposals concerned. Thus, the contract is awarded to the consultant who submits the highest ranked technical proposal.

Since NGOs do not typically seek out commercial opportunities, a special effort may be required to encourage them to submit expressions of interest (EOIs). If an insufficient number of qualified NGOs exist, it is permissible for ADB or the EA to short-list just three NGOs rather than the usual five. However, to be short-listed, NGOs must submit EOIs. The purpose of this requirement being to ensure that the work experience of the NGO in question can be properly documented and assessed. All short-listed firms must thus meet basic short-listing criteria, even if the number of firms on the short list is small.

In exceptional cases, single-source selection procedures may be used to engage an NGO as a consultant. However, this is only permissible when circumstances justify not using the competitive selection procedure. Examples of such cases include the following: (i) only one NGO is qualified to undertake the work in question; (ii) the time period in which consultant selection must occur is exceptionally short, such as in cases involving disaster relief; and (iii) the cost of the consulting assignment is \$100,000 or less.

In the case of single-source selection, ADB or the EA invites only one consultant to submit a technical and financial proposal. While this method is generally the quickest way to select a consulting entity, it lacks the benefits of competition and transparency. In such cases, a lump-sum contract may be offered, especially when assignment costs are less than \$50,000.

Engaging National and Local NGOs as Consultants

For purposes of engaging consultants, ADB classifies an NGO as “national NGO” if it (i) is registered in an ADB developing member country, and (ii) operates in various areas of that country. An NGO is classified as a “local NGO” if it (i) is registered in an ADB developing member country, and (ii) is community-based, serving a specific population in a narrowly defined geographic area.

In cases in which ADB or an EA uses QCBS procedures to recruit a national or local NGO for work in an ADB developing member country on assignments not expected to exceed \$200,000 in total costs, the short-listing criteria include, but are not limited to:

- (i) legal registration in an ADB member country,
- (ii) an operational history of at least 3 years that includes experience in implementing projects or project-based activities,
- (iii) existence of a management or advisory board, and
- (iv) an accounting and financial system acceptable to ADB.

In general, the same recruitment procedures that apply to INGOs also apply to national and local NGOs. Thus, when ADB or an EA specifically requires an NGO and includes only NGOs on the short list, the normal procedure is QCBS for assignments expected to cost more than \$200,000 and consultants' qualifications selection for assignments expected to cost \$200,000 or less.

When ADB and EAs short-list both national and local NGOs as well as commercial consulting firms, QBS or fixed budget selection procedures are used. In such cases, an abbreviated NGO request for proposal and simplified technical proposal may be used upon prior approval from the Central Operations Services Office (COSO). In such cases, proposal submission periods are shorter than otherwise.

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When ADB or an EA recruits a national or local NGO in a developing member country, the EOI or technical proposal may require additional information including the following:

- (i) letters of reference from previous clients that specifically comment on the performance of the NGO in question;
- (ii) evidence of a sound accounting and financial management system; and
- (iii) evidence of certification, accreditation, or commitment to particular codes of conduct.

With prior approval of COSO, an abbreviated version of the simplified technical proposal may be used. In such cases, proposal submission periods are shorter than otherwise.

The ADB–Open Society Institute Central Asia Education Cooperation Network has contributed to the enhancement of education reform processes in the Central Asian republics by developing a regional network of education stakeholders

Implementing Small Projects with Community Participation

Many ADB-financed projects focus on rural or urban development and address specific sectors or themes such as health, education, irrigation, gender development, rural infrastructure, tenement upgrading, or microfinance. Successful implementation of such projects often requires contracting to be carried out at the community level. In such cases, the involvement of service providers such as CBOs and local NGOs can be invaluable. Specific project administration instructions (PAIs) have been formulated to assist staff members in implementing community-based procurement procedures in the case of such projects.⁶

In cases in which the project in question is amenable to including small-scale subprojects within its scope, processing missions should initiate dialogue with the borrower, the implementing agencies, NGOs, and target communities to determine the feasibility of doing so. This consultation should begin during the initial stages of project formulation. While in general the estimated cost of such subprojects should be \$10,000 or less, this limit can be increased to \$30,000, given successful previous implementation of a subproject by the community in question.

Some communities may lack adequate capacity in designing and implementing subprojects, but are otherwise knowledgeable about

⁶ See PAI 5.12, Revised 26 September 2007. Available: www.adb.org/Documents/Manuals/PAI/pai-5.12.pdf

local needs and concerns. In such cases, the project implementation unit and EA may invite local NGOs with well-established records of implementing community development projects to implement specific project activities in the beneficiary communities concerned.

Evaluating Involvement of CSOs in ADB Operations

In 2006, ADB's Operations Evaluation Department published the Special Evaluation Study on the Involvement of CSOs in ADB Operations. The study determined that

- ADB's capacity to engage CSOs in country strategy and program processes has grown. However, despite an increase in the overall number of consultations with CSOs, their concerns might not always be reflected effectively in country strategy and program formulation exercises.
- CSO involvement in ADB operations is increasingly diverse in terms of the various forms it takes. However, CSO involvement in areas such as policy advocacy and monitoring and evaluation remains a relatively rare phenomenon.
- The increase in ADB spending on capacity building for CSOs has mainly focused on grassroots CSOs such as water users' associations and farmers' groups. Nevertheless, in cases in which CSOs are involved in network development, their role is often narrow, focusing on facilitating information exchange and communication relating to short-term project implementation issues.
- Strategies for involving CSOs as partners in implementing ADB's policies on governance and anticorruption remain weak.
- The strategy for involving CSOs in implementing gender and development policies has been effective, particularly in its long-term approach and early focus on capacity building aimed at putting into place appropriate legislation and regulations.
- ADB has improved creation and capture of knowledge relating to CSO involvement in ADB operations. Much of this, however, is based on qualitative rather than quantitative data and information.

