

# NPRS-PRF

Helping Accelerate Poverty Reduction in Asia and the Pacific

## PILOTING NEW MODALITIES FOR ADB-NGO PARTNERSHIPS

Through a technical assistance, funding was made available to nongovernment organizations (NGOs) in lower-income countries to undertake innovative poverty reduction initiatives in key ADB sectors.

Nongovernment organizations (NGOs) are widely recognized for both their comparative advantage in effectively reaching poorer income groups using participatory and inclusive methods, and their significant voice in influencing policy and development outcomes.

NGOs' contribution on issues relating to the environment, poverty reduction, human rights, sustainable agriculture, and health care, among many other pressing concerns, has joined other civil society voices to shape regional and national development. NGOs are able to adopt innovative approaches that have contributed to holding governments to account. In addition, in many cases, NGOs complement government efforts and provide support (if through constructive criticism) to governments.<sup>1</sup>

The Asian Development Bank (ADB) has an increasing number of NGOs<sup>2</sup> among its valued development partners. ADB cooperates with NGOs to identify, design, and implement development strategies and projects. It incorporates NGOs' expertise, experience, and perspectives to ensure maximum sustainable benefit and the most effective use of resources. ADB's expanding cooperation with NGOs is a reflection of the significant role NGOs play in development processes.

However, ADB has had limited experience in developing dynamic and grounded partnerships with NGOs. One of the major reasons has been a lack of mechanisms that provide NGOs with direct access to ADB funding. The Japan Fund for Poverty Reduction is a special mechanism that allows this. But it has required until recently a direct connection to existing or planned ADB-assisted loans. This has limited ADB's exposure to a range of innovative NGO work that could accelerate ADB's poverty reduction efforts outside of ADB-assisted loans.<sup>3</sup>

Meanwhile, ADB's long-term strategic framework and medium-term strategy provide the imperative for developing innovative modalities for working with NGOs. This includes developing funding mechanisms that allow NGOs direct access to ADB

funds, enabling implementation of a wider range of ADB projects and programs, particularly those targeted at reducing poverty.<sup>4</sup>

These strategic framework commitments are supported by a road map for tripartite cooperation, ADB-Government-NGO Cooperation: A Framework for Action 2003-2005 (the NGO Cooperation Framework). The framework was drafted in 2002 and recommends that ADB explore the establishment of a separate small grants fund to support NGO development initiatives that are of strategic relevance to ADB's operations in developing member countries.

### RETA 6109: A Landmark Fund for NGO Support

A regional technical assistance (RETA 6109: NGO Partnerships for Poverty Reduction)<sup>5</sup> was designed specifically to provide funding to NGOs in lower-income countries in Asia and the Pacific to undertake innovative poverty reduction initiatives in key ADB sectors. RETA 6109 served as the pilot for the possible establishment of a separate ADB grant funding mechanism for NGO activity and was intended to gain experience in managing a small grants program.

The regional TA, funded initially with \$500,000 (and subsequently increased with another \$500,000 grant in January 2004) provided small grants to national NGO activities directly related to poverty reduction and enhanced ADB-government-NGO cooperation. The increase in the regional TA amount expanded the scope of project types to include regional or subregional NGO activities.

Review committees, which included NGO representatives, reviewed and prioritized project proposals at the resident missions. Selected proposals were later reviewed by ADB's NGO and Civil Society Thematic Group.

ADB's NGO Center is responsible for managing the fund, including the development of guidelines, a template for NGO project proposals, reporting formats, and monitoring and evaluation.

The regional TA specified three categories of projects to be funded: (i) pilot projects, (ii) capacity building and empowerment activities, and (iii) projects that give direct feedback to ADB on strategic issues.

Criteria for grant funding included:

- (i) relevance to country strategy programs and national poverty efforts including feasibility of upscaling as part of ADB operations;
- (ii) contribution to stronger and more productive linkages between ADB, governments, and NGOs;
- (iii) contribution to NGO capacity to productively and proactively work with ADB and governments;
- (iv) contribution to improved NGO institutional capacity to respond to the needs of the poor; and
- (v) partner contributions, including cash or in-kind contributions by NGOs involved in individual project activities.<sup>6</sup>

There were 71 projects approved amounting to \$996,820<sup>7</sup> (out of the \$1 million) with 15 countries<sup>8</sup> participating. The grants ranged from \$2,300 to \$20,000. Of the 71 projects, 41 were pilot or demonstration projects and 3 were to provide direct feedback to ADB on strategic issues. Eighty-six percent of the projects had capacity building components for both target groups and implementing NGOs.

The project types funded by the regional TA included water supply management, microfinance, sustainable agriculture and community resource management, street children rehabilitation, and juvenile justice training. See Box for illustrations of some of the projects.

## Inputs to More Substantive ADB-NGO Engagements

Despite variable performance across individual projects, small grants to NGOs have clearly contributed to improving thousands of lives of poor people for a relatively small sum, while improving ADB's relations with operational NGOs at the community and national levels. NGOs have been effective in reaching poor communities, especially in remote areas.

The regional TA has provided invaluable practical insights not only on the management of small grant funds but also into NGO practice.

Lessons learned include:<sup>9</sup>

- In most instances, a poverty reduction link was evident but links to ADB's country strategies were not always clear. This resulted in a broad range of projects supported sometimes in sectors not prioritized by the country strategies.<sup>11</sup>
- Most projects had capacity building elements, either for specified target groups or the implementing NGO itself. Just a few projects were designed with a view to providing

Box: RETA 6109 PROJECT APPROVALS  
(as of November 2005)<sup>10</sup>

DMC	NGO	PROJECT TITLE
Kyrgyz Republic	Federation of Women's Organizations in Kyrgyz Republic	Farm and Micro-Credit Support to Low-Income Women
Azerbaijan	Azerbaijan Community Development Research, Training, and Resource Center	Strengthening Capacities of Key Civil Society Actors in Rural Azerbaijan to Increase Public Understanding of SPPRED
Vanuatu	VSO Vanuatu (Voluntary Service Overseas)	Small Scale Project Support
Viet Nam	Allianz-Mission	Cow Bank
Kyrgyz Republic	Republican Independent Association for Disabled Women	Handicraft Training for Disabled Women
Indonesia	Koalisi Untuk Indonesia Sehat	Capacity Building for Improved Health in Central Lampung
Indonesia	Urban and Regional Development Institute (URDI)	Participatory Development in Bandar Lampung
Cook Islands	World Wildlife Fund in partnership with Cook Islands Association of NGOs (CIANGO)	NGO Information Center
Nepal	Rural Awareness Forum (Baglung)	Providing Microfinance Services to Rural Poor Women of Western Nepal
Nepal	Lumanti Support Group for Shelter	Community Empowerment through Improved Water Supply
Marshall Islands	Marshall Islands Council of Non-Government Organizations	Truancy Study
Papua New Guinea	Live and Learn Environmental Protection	Community Resources Management and Development in West New Britain
Bangladesh	Christian Commission for Development in Bangladesh	Income Restoration for Vulnerable Groups
Bangladesh	Jagorani Chakra	Enhanced Capacity Building for Water Management Associations
Bangladesh	RDM	Special Study on Livelihood and Income Restoration
Cambodia	Khmer Women's Voice Center	Mobile Dissemination on Gender Mainstreaming
Cambodia	Mith Samlanh/Friends	Ministry-Operated Care Centers for Street Children and Children with HIV/AIDS
Mongolia	Mongolian Youth Development Centre	"My Newspaper" for Vulnerable Youth
People's Republic of China	Sanjiangyuan Environmental Protection Association (SEPA)	Support to Cuochi Village, Qinghai Province
People's Republic of China	Tongjiang Supportive Service for Rural Household Self-Sustaining Capacity Building	Sustainable Drinking Water Project in Tongjiang County, Sichuan Province

feedback to ADB on strategic issues. While these projects have the potential to inform ADB strategies, it is not yet clear if they have, in fact, influenced ADB programs and projects.

- The aim of upscaling activities that NGOs carry out into ADB operations was rather ambitious. This was the first ADB small grants window exclusively for NGOs.<sup>12</sup> Many of the participating NGOs have had little or no experience with ADB in the past. For significant upscaling of small national NGO participation into ADB operations to take place, NGOs have to be more aware of ADB's mandate, role, programs, projects, and activities.
- The regional TA had a positive impact on increasing ADB's capacity to engage with NGOs. Early linkages have been created between newly established ADB resident missions and NGO/civil society organization (CSO) communities, NGO databases in resident missions have been updated and enhanced, and increased opportunities to engage with NGO/CSO partners on NGO/civil society issues have emerged.
- Manual screening and grant processing made excessive demands on staff time, small grants being disproportionately time and resource intensive.
- Small grant funds require systematized monitoring and evaluation of impacts;
- Mechanism for continued engagement/follow-up with participating NGOs (especially for short-term funds) is required.
- Building stronger partnerships with the government and promoting cooperation between government and civil society were not priorities for NGOs, although these were important aims of the regional TA.<sup>13</sup>
- NGOs indicated that ADB needs to be more flexible concerning timelines for projects. Small and short-term projects with narrow project frameworks and focus are in danger of operating against aims of local ownership and sustainability.

The accomplishments and lessons of RETA 6109 were used to develop a proposed funding and operational modality for sustainable fund-raising and grant-making (as recommended under the NGO Cooperation Framework).

Small grants to NGOs have clearly contributed to enhancing their initiatives to improve the lives of poor people. It has also provided ADB a chance to work more closely with NGOs, understand their organizational culture and practice, and appreciate the fact that the majority of NGOs sought substantive partnerships including policy and technical advice.<sup>14</sup>

## Endnotes

<sup>1</sup> [www.devinit.org/wpfinsum.pdf](http://www.devinit.org/wpfinsum.pdf)

<sup>2</sup> NGO or NGOs – nongovernment organizations (i) not based in government, and (ii) not created to earn profit. ADB is concerned primarily with developmental NGOs or those regarded as private organizations entirely or largely independent of government, not created for financial or material gain, and addressing concerns such as social and humanitarian issues of development, individual and community welfare and well-being, disadvantage, and poverty, as well as environmental and natural resources protection, management, and improvement. ([www.adb.org/Documents/Policies/Cooperation\\_with\\_NGOs/ngo\\_sector.asp?p=coopngos](http://www.adb.org/Documents/Policies/Cooperation_with_NGOs/ngo_sector.asp?p=coopngos))

<sup>3</sup> ADB. 2003. *Regional Technical Assistance NGO Partnerships for Poverty Reduction*. Manila. The loan link condition applied to the Japan Fund for Poverty Reduction was lifted in 2006.

<sup>4</sup> ADB. 2003. *Regional Technical Assistance NGO Partnerships for Poverty Reduction*. Manila.

<sup>5</sup> RETA 6109: NGO Partnerships for Poverty Reduction. Regional TA approval date: May 2003. Completion date: June 2006. TA amount originally was \$500,000; additional \$500,000 was infused in 2004.

<sup>6</sup> ADB. 2003. *RETA 6109 NGO Partnerships for Poverty Reduction*. Manila.

<sup>7</sup> TA Performance Report as of 30 November 2005.

<sup>8</sup> Participating countries: Azerbaijan, Bangladesh, Cambodia, Cook Islands, Kiribati, Tuvalu, Indonesia, Kyrgyz Republic, Lao People's Democratic Republic, Marshall Islands, Mongolia, Nepal, Pakistan, Papua New Guinea, People's Republic of China, Sri Lanka, Vanuata, and Viet Nam.

<sup>9</sup> ADB. 2005. NGO Small Grants Facility. Manila, 12, 15–16.

<sup>10</sup> [www.adb.org/Documents/prf/reg/RETA-6109-proj-approvals.pdf](http://www.adb.org/Documents/prf/reg/RETA-6109-proj-approvals.pdf)

<sup>11</sup> NPRS/PRF Project Status June–November 2005.

<sup>12</sup> ADB RETA 5889 – Gender and Development Initiatives, approved in 1999 and completed in 2005, also had a component that provided small grants to NGOs. One of the objectives was potential upscaling and replication of some NGO projects into larger government. According to the TA completion report (TCR), this objective was not fully realized as the projects were too small, the duration period too short, and the limited nature of ADB's engagement did not foster scaling up or replication.

<sup>13</sup> NPRS/PRF Project Status June–November 2005.

<sup>14</sup> NPRS/PRF Project Status June–November 2005.

This case study was written by Social Development Direct (RETA Consultant) under the Regional TA 6270: Facilitating Knowledge Management for Pro-Poor Policies and Projects with inputs from Jennifer Francis, Project Officer of RETA 6109, and Sonomi Tanaka, Senior Social Development Specialist, ADB. The views and assessments contained herein do not necessarily reflect the views of ADB or its Board of Directors or the governments they represent. ADB does not guarantee the accuracy of the data and accepts no responsibility for any consequences of their use.

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