

*A Study of ADB - NGO
Relations in the Pacific:
Issues and Options for
Strengthening Engagement*

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1. Introduction

1.1 Background

The ADB recognizes the growing importance of non-government organizations (NGOs) and civil society organizations (CSOs)¹ to sustainable development and poverty reduction in Asia and the Pacific. With a view to enhancing ADB-CSO practice, a consultant was engaged to work alongside staff from the Pacific Department (PARD) to analyze and recommend operational solutions to impediments faced by staff in their efforts to better engage the cooperation and resources of the NGO community in Pacific Developing Member Countries (PDMCs).

This study was initiated by PARD to increase internal understanding of ADB's strengths and weaknesses in collaborating with Pacific-based NGOs. Findings from this study will be considered during preparation of the *Pacific Strategy 2005-2009* and used as the basis for improved practice. The timing of this research also enabled NGOs to provide feedback on the role of the new Regional Office in Suva in enhancing ADB-CSO relations. This research compliments and supports the work of the NGO Center (NGOC) in implementing the 2003 ADB-Government-NGO Cooperation Framework and 1998 Policy, *Collaboration Between Asian Development Bank and Non-Government Organizations*.

1.2 Purpose

The purpose of this research is to

- Assess ADB's relations with CSOs in the Pacific
- Identify practical strategies to improve ADB-CSO cooperation, and
- Facilitate strategic discussion at division and Bank level of proposed actions to strengthen ADB-CSO cooperation and manage associated risks.

¹ The term civil society organization refers to a broad range of non-state actors, including NGOs, community-based organizations, faith-based organizations, public institutions and associations with diverse interests that provide both a support and a counterweight to government. In development discourse, the term civil society refers to the space outside the family, the state and the market and is increasingly being used to refer to a set of ideas related to participation, good governance, human rights, privatization and public sector reform.

In the Pacific, the term NGO refers to non-state organizations involved in development activities at provincial, national, regional and international level. However, this broad term encompasses numerous sub-categories including international NGOs—with head offices outside the region although some also operate offices in one or more Pacific countries, and indigenous NGOs that are locally managed though some indigenous NGOs also are affiliate members of international NGOs. The term community-based organization (CBO) refers to village level groups and networks that carry out development activities on their own or in association with NGOs. Church, women and youth organizations fit in this category. Membership oriented national and regional NGO networks in the Pacific are known as Umbrella Bodies, Coordinating Bodies, Peak Bodies and National Liaison Units (NLUs).

1.3 Research Methodology and Limitations

The research methodology was designed to assess the effectiveness of strategies used to engage civil society in ADB operations through feedback from ADB and NGO personnel on perceived benefits and barriers to effective inter-agency collaboration and lessons learned through previous cooperation. The TOR for this study emphasized the need for critical self-reflection through an open and transparent review process.

Following interviews with PARD professional staff in Manila, the consultant interviewed about 50 NGO representatives from a range of Pacific-based organizations regarding their experiences working with ADB (see Annex A for a list of organizations consulted). A number of international consultants and project managers with ADB-NGO experience were also interviewed. Personal interviews were conducted in Fiji and Marshall Islands; other stakeholders were consulted by telephone and email.

Interviews were based on questionnaires provided to respondents in advance of the discussion. NGOs were encouraged to consult with their constituencies; some umbrella bodies provided feedback on behalf of their networks. Because all respondents were assured of confidentiality, source-less quotes are used to illustrate sensitive issues and strongly held views.

This report incorporates findings from previous reports on civil society in the Pacific and highlights lessons learned by other multilateral development banks (MDBs) and development agencies in their attempt to better engage civil society.

The study was limited by the researcher's inability to conduct personal interviews and gather feedback from all Pacific CSOs with previous ADB experience or to assess the development impacts of ADB-CSO collaboration. Findings and recommendations are based on responses from a sample of key stakeholders and their perceptions about the effectiveness of this cooperation. Further study of the medium- to long-term outcomes of ADB's engagement with CSOs on poverty reduction in PDMCs is required.

2. The Context: Civil Society in the Pacific

Civil society organizations, especially community and faith-based groups, have long been a distinctive feature of life in the Pacific Islands. Since independence there has been a proliferation of CSOs with the number and scope of regional, national and community-based organizations continuing to expand. These organizations encompass an enormous range of interests, capabilities and approaches that have proven difficult to enumerate. Accurate and accessible data on the number, activities and resources of CSOs operating in the Pacific is lacking.

While CSOs are geographically isolated, they are often closely connected through strong informal networks of community, church and family affiliations and through formal indigenous NGO networks such as the Pacific Conference of Churches, Foundation for Peoples of the South Pacific, the Nuclear Free and Independent Pacific Movement, the Pacific Foundation for the Advancement of Women and the Pacific Islands Association of NGOs. In some PDMCs, ideological conflicts exist between NGOs and there is a growing sense of 'territorialism' and competition for scarce resources.

Due to their limited size and resource base, most CSOs perform their work with minimal training and struggle to recruit and retain suitably qualified personnel to manage the demands

of an increasingly complex development environment. Many report difficulty coping with the growing demands placed on them by donors, governments and communities and have identified the need for technical assistance with a range of operational and strategic functions (i.e., strategic planning, governance, human and financial management, resource mobilisation, impact assessment and performance reporting).

CSOs are also struggling to fill gaps created by government cutbacks and structural adjustment policies in education, health, social welfare, water and sanitation, community development and natural resource management. Communities throughout the Pacific—especially those in isolated rural areas—have become reliant on CSOs for the provision of basic services. In some PDMCs, churches are responsible for a significant share of formal education and health services (with varying levels of government support) while NGOs have focused more on provision of primary health and non-formal education programs in marginalized areas.

While the financial contribution of CSOs is thought to equal or exceed government expenditure in addressing some development issues (i.e., environmental protection, gender equality, promotion of human rights and targeted pro-poor interventions) these expenditures are generally not acknowledged in economic or social protection terms. For the most part NGOs receive little official recognition and encouragement from PDMC governments, are often dismissed as “trouble makers” or are seen as competition for aid resources.

By their nature, governments and private sector organisations have ready-made sources of income: the state, through taxes and fees for public services, and business through profits from the sale of goods and services. In contrast, Pacific NGOs have a fragile material base. While some receive small voluntary contributions and in-kind support through membership subscriptions, most are trapped in a never-ending struggle to secure adequate financial resources. For many Pacific NGOs official development assistance has become the primary vehicle for obtaining financial resources. While these funds have given NGOs an opportunity to establish “a track record”, it has also threatened their autonomy and decision-making ability leading to an increased dependency on foreign aid.

Pacific countries generally lack suitable legal and regulatory frameworks to support the growth and development of civil society groups. Without clear and fairly enforced legal structures, the rights of CSOs remain unprotected and organisations are unable to function without untoward government or other outside interference. Laws governing the establishment and legal status of CSOs, taxation, fundraising and licensing need to be fully reviewed to optimize sector performance on a country-to-country basis.

Despite these constraints, Pacific CSOs are becoming stronger public advocates on a wide range of development and human rights issues and are playing a more central role in mobilizing civic engagement in decision-making processes. For instance, environment oriented NGOs have made notable impacts in the area of ecological protection through effective advocacy and public education programs while the women’s movement is often attributed with improving gender equity and cessation of civic unrest. The sector’s inclusion of women in leadership positions—often to a greater extent than in public or private sector enterprise—has enhanced women’s credibility, professional competency and ability to influence public opinion and policy.

As the inadequacy of state-managed processes and services become apparent development agencies, donors and MDBs are looking increasingly to CSOs to address complex problems and spearhead good governance efforts. Improving and enlarging the sector’s operational and

legal environment and strengthening CSO capacity has been identified by NGOs and donors as a prerequisite to reducing vulnerability and poverty in Pacific Island countries.

Capacity building

Building the sector's capacity is a central concern of Pacific regional NGOs and has been the focus of donor intervention in recent years. The first Regional Stakeholder Workshop on NGO Capacity Building (Vanuatu, November 2000) funded by a consortium of donor agencies including the ADB, identified a set of joint actions to progress capacity building outcomes. At the second Regional Stakeholder Workshop (Fiji, October 2001) NGO representatives committed themselves to development of a regional framework for NGO capacity building that is orchestrated and owned by Pacific peoples themselves. At this meeting, regional NGOs endorsed PIANGO's role as the "clearing house" for capacity building activities.

The *Clearing House Framework for Pacific Regional NGOs on Capacity Building (2002)* outlines a collaborative plan of action designed to build sector capacity over the next five years. Regional NGO leaders view the collective development and endorsement of this plan as a positive step forward in regional cooperation and believe the Framework has potential to serve as a model for further unified action. NGO leaders expect the Framework to facilitate increased cooperation and information sharing (with and within the sector), promote synergy between capacity building activities, enhance coalition and alliance building efforts, and expand opportunities for training in NGO leadership, management and advocacy.

Parallel to the process of building CSO operational capacity and safeguarding sector sustainability is the equal need to improve government-CSO relations and increase civic engagement in policy formulation and analysis. In this regard, the *Clearing House Framework* encourages more focused dialogue between NGOs and external stakeholders on legal and regulatory frameworks and mechanisms to support the proactive and productive engagement of NGOs in government, MDB and donor-led initiatives.

The MOU signed by ten Regional NGO networks after an extensive three- year participatory process identifies the following priorities for strengthening the influence and impact of NGOs in the Pacific.

- **Organizational Development** - To enhance ongoing initiatives and support new processes and programs aimed at strengthening the organizational capacity of NGOs in the Pacific
- **NGO Sustainability and Resourcing** – To ensure Pacific NGOs have ongoing access to sufficient financial, material and human resources to achieve long-term sustainability of their organizations and development activities
- **Information Sharing and Communication** – To strengthen information sharing and communication between NGOs in the Pacific
- **Stakeholder Relations** – To strengthen key relationships affecting the growth and development of the Pacific NGO sector
- **Legal and Regulatory Frameworks** – To raise awareness on the role and impact of customary and introduced laws and to promote an enabling environment for the growth and development of NGOs
- **Advocacy** – To strengthen the capacity of NGOs to effectively advocate on issues of concern to Pacific people and to exert influence on development policies, plans, legislation and budgetary processes.

It is widely recognized that the effectiveness of CSO capacity building efforts in the Pacific will be influenced to a great extent by the involvement of donor agencies and their willingness to coordinate efforts and support sector-identified priorities. The importance of NGO ownership in determining and evaluating capacity building approaches cannot be overstated.

This research suggests ADB could play an important role in redressing restrictive regulatory factors, improving the financial viability of the sector (through promotion of trust funds and CSO-friendly tax environments etc.) and increasing the space for CSO engagement in policy and budget scrutiny. The ADB could also assist in ensuring that contributions by CSOs are acknowledged and valued by PDMC governments in both social and economic terms.

3. Methods Used to Engage NGOs

Pacific NGOs engage with ADB through involvement in the following operational processes

- Regional and Country Strategy and Program
 - Sector Analysis and Policy Review
- Projects
 - PPTA and Loan Processing
 - Implementation
 - Monitoring and Evaluation
- Regional and Advisory Technical Assistance
- Small Grant Funding Mechanism

In recent years PARD has made a concerted effort to expand and deepen its engagement with CSOs especially in areas of sector analysis and policy review and in implementation of advisory (ADTA) and regional (RETA) technical assistance.

Regional/Country Strategy and Programming

Pacific NGOs have become increasingly involved in developing thematic papers used to inform sectoral, regional and country strategies. For instance, numerous NGOs were actively engaged in formulating the *Pacific Region Environmental Strategy 2005-2009* by undertaking case studies, attending planning workshops and vetting draft documents. Similarly, NGOs participated in preparation of the regional governance strategy by undertaking community-based research and attending country and regional workshops to report on findings. PDMC Poverty Assessments have involved CSOs in a wide variety of roles including hands-on community assessment and national level policy and performance review. Preparation of country economic reports have recently begun to focus on developing greater local capacity for analysis as a secondary objective of this activity; opportunities for “paired” consultancies (international and local consultants) are being explored.

Current levels of civil society engagement are generally not reflected in Pacific CSP/Us, which mention CSOs only in relation to their involvement in project conceptualization and assessment and in ADB-supported activities and consultations. References to CSOs generally fall under the heading “Nature/Extent of Government/Beneficiary Involvement in Identifying or Conceptualizing the Assistance”.

Although most CSP documents (including the *Pacific Regional Cooperation Strategy and Program 2004-2006*, the *Pacific Strategy for the New Millennium 2000* and CSP/Us) indicate CSOs were involved in the formulation of these plans, it is difficult to assess the quality or

extent of this engagement. In general, NGO respondents do not identify with CSP processes at national or regional level.

Beyond consulting with CSOs, the Regional Cooperation Strategy makes no mention of regional non-state organizations or ADB's role in regard to strengthening the sector. Although the need for engagement with civil society may be implied in statements concerning ADB's increased focus on local ownership and demand driven approaches, this is not explicitly stated nor are there clearly articulated strategies regarding the Bank's role in relation to other regional stakeholders.

While the CSP/U for Vanuatu suggests ADB may have a closer working relationship with NGOs than in other PDMCs, it is not clear if this is because of ADB's on-the-ground presence or because the Vanuatu government has prioritized engagement with civil society and if so, what role the Bank may have played in influencing this thinking. It is also important to note that findings of this study do not suggest NGOs in Vanuatu feel a greater sense of connection with ADB than in other PDMCs.

Numerous respondents emphasized the need for ADB to "articulate and institutionalize" the way it works with CSOs during the CSP process. This would involve establishing clear guidelines for staff, addressing organizational impediments to effective engagement, use of participatory approaches and development of a monitoring and evaluation system that facilitates objective assessment of ADB-CSO collaboration in CSP processes.

Projects

PPTA and Loan Processing

Levels of engagement with CSOs in project design activities vary widely and seem highly dependent on the nature of the loan and the attitude of key stakeholders (i.e., governments, bank officers, consulting firms and individual consultants) about the relative importance of this cooperation. In general, PARD staff believe there is little scope for CSO engagement in finance and central government focused PPTA and loan processing other than during broad-based scoping exercises. While infrastructure related projects offer high potential for CSO engagement in social/environmental impact studies and beneficiary assessments, if this involvement is not clearly outlined in the PPTA paper it is unlikely to occur.

In some cases, CSOs have been sub-contracted by consulting companies to conduct specific aspects of the assessment—generally at community level, while in other situations Bank staff directly administer components of project design work. The nature and effectiveness of these strategies is difficult to assess because data is not easily accessible and outcome evaluations have not been conducted. The lack of guidelines concerning when and how to involve CSOs in PPTA and loan processing was identified by PARD staff as a major constraint to furthering involvement of civil society in design activities.

Implementation and Monitoring

CSOs participate in project inception, review and mid-term review missions when their involvement is reflected in the RRP; the extent of engagement depends on their role in implementation and monitoring activities. CSO roles in implementation arrangements vary widely and are difficult to assess given the lack of consolidated data on methods and outcomes.

It is important to note that while Pacific NGOs are increasingly contracted to assist with project implementation, this does not necessarily mean engagement in strategic level work. Some project managers and CSOs raised concern about the confinement of civil society groups to “tea-making and translation services” and about lost opportunity costs when projects fail to capitalize on the socio-cultural expertise these groups can offer.

In recent years Pacific CSOs have also become more involved in project monitoring through participation on steering committees, advisory groups and task forces—with variable outcomes. In some cases CSOs are reported to have made valuable contributions to community level analysis and provided “excellent practical advice”. In other situations, CSO representatives frequently missed meetings and/or contributed little to decision-making processes.

While some NGOs report direct and indirect benefits arising from their participation on project committees (i.e., ability to influence project implementation, more in-depth sector knowledge, greater insight into government processes and “good connections”), other representatives report feeling “unwelcome” and are concerned their inclusion is not really valued. Further, CSO representatives do not always understand the purpose of the project or their role on the committee, especially if they were not involved in the design stage. The need for more thorough orientation of CSO committee members was emphasised.

This research did not reveal examples of civil society involvement in post-implementation evaluations, though this is an area that Pacific NGOs believe is of critical importance. CSOs could play an important role in carrying out long-term beneficiary assessments using participatory monitoring and evaluation techniques provided this activity is specified in the project design.

Regional and Advisory Technical Assistance

Technical assistance grants constitute a significant component of ADB’s work in the Pacific—in relative terms \$50 million was spent on lending versus \$14.2 million on grant TAs in 2003, with TA expenditure expected to increase in coming years.

PARD staff emphasized the strategic significance of RETA and ADTA resources in enlarging the scope for engagement with CSOs and in building the sector’s capacity as an effective development partner. Many TAs aim to build government and civil society capacity and/or to improve policies and institutions in areas such as poverty analysis and strategies, economic policy, financial management and development of the private sector.

TA resources allocated to CSOs are highly valued by both ADB and CSO staff because they offer greater contracting and programming flexibility than loans and enable collective work with CSOs from different PDMCs who share common interests and needs. RETA resources also permit ADB to test innovative ideas and approaches and enable work with CSOs on issues and processes that may not be feasible through regular government channels.

There are numerous examples of creative methods used to engage CSOs in TA activities that enrich PARD’s ongoing assessment and planning processes. For instance, CSOs have been involved in developing think-tank documents, pilot demonstration projects, community-based participatory research and video productions that augment sectoral and thematic studies. In the view of PARD staff, CSOs have contributed valuable insights and made “precious inputs” that would otherwise be unavailable.

There are also examples of RETAs that specifically focus on building the capacity of CSOs and/or enhancing engagement between state and non-state actors. This includes, for example, previous work on assessing CSO regulatory and legal frameworks in PDMCs and support provided to regional CSOs in developing a sector-led capacity building framework. Some TAs have involved parallel and CSO capacity building activities and encouraged collaboration through cooperative reporting, monitoring and research activities.

A recently approved TA titled *Civil Society Participation in Budget Formulation in the Pacific* aims to increase the capacity of CSOs to engage in national budget formulation and analysis through education and skill-building activities. At the same time, this TA stresses that CSO capacity to engage in budget processes will also require interventions to increase the capacity and willingness of PDMC governments to work with CSOs on prioritization and review of public expenditure.

NGOs have high regard for TA activities that simultaneously build government and CSO capacity and increase the scope and potential for effective engagement between state and non-state actors.

Small Grant Funding Mechanisms

Some PARD staff stressed the need for greater access to “flexible financial resources” to support CSOs at “key strategic moments” to enhance implementation of ADB supported activities and/or build capacity of civil society for more effective engagement in development processes. Such funds would also enable staff to increase involvement in cost-sharing arrangements with other donor agencies to enhance sector performance.

As a follow-up to activities agreed in ADB’s Medium-Term Strategy and ADB-Government-NGO Framework for Action concerning establishment of a dedicated funding mechanism for civil society, small grants are currently available to CSOs in select (Category A and B) DMCs. This TA, administered by the NGOC with support from the NGO Committee, provides grants up to \$50,000 per DMC according to established criterion. In the Pacific, NGOs in Solomon Islands, Vanuatu and Marshall Islands have so far accessed or applied for support from this fund.

An independent evaluation has been scheduled to assess the results of this TA and make recommendations concerning ADB’s role in provision of dedicated funding and preferred administrative procedures. In this regard, PARD staff think it’s important to consider the role of Resident Missions and Local Committees in administering CSO funds. They also stress the need to ensure funding criteria is responsive to the needs and objectives of CSOs in PDMCs and flexible enough to encourage creativity and innovation.

4. Benefits of ADB-CSO Cooperation

4.1 ADB Views

From the perspective of ADB personnel, the benefits—or potential benefits of collaboration with CSOs include

- CSOs help build local ownership, reduce dependent thinking and mitigate against unrealistic community expectations

- Collaboration with CSOs is fundamental to increasing citizen participation in planning and policy-making; CSOs can improve political literacy and increase public demand for good governance
- CSOs help to ensure ADB supported projects are relevant; they are closer to the people; they understand the political context and socio-cultural sensitivities (i.e. issues related to land tenure, resource use/distribution, community governance, gender relations and reproductive health issues)
- CSOs help to balance the Bank's upstream and downstream work and ensure policies are "grounded" in local reality; "NGOs bring the Bank to the people".
- CSOs can lower ADB's "transit costs" and improve its "transparency rating"
- CSOs can be instrumental in broadening and deepening the development debate and ensuring ADB interventions address root causes rather than the symptoms of underlying problems
- CSOs could play a valuable role in conducting baseline studies and community surveillance before, during and following project implementation
- CSOs can work with communities in ways that governments and MDBs cannot; their involvement is often more acceptable to project recipients than foreign input
- CSOs deliver effective community-based programs; they have good networks and can facilitate effective local operations
- CSOs work in the local vernacular, have expertise in community development, non-formal education and production of user-friendly IEC materials
- Early involvement by CSOs can reduce risks; they are well positioned to identify factors that could undermine projects and ensure appropriate expression of stakeholder concerns
- CSOs can play a critical role in monitoring project implementation and post-intervention impacts at community level
- CSOs can offer good value for money; failure to work with CSOs can represent significant lost opportunity costs
- CSOs can trial innovative methodologies; they are part of local and international networks that bring wider experience and ability to facilitate dissemination and integration of lessons learned
- CSOs promote sustainability; they are more concerned with developing linkages and institutionalizing knowledge than consulting companies are
- Investment in CSOs develops local capacity and supports local economies
- CSOs can "offset" and provide a counter-weight to government; their involvement is considered instrumental to increased government accountability and transparency

- CSOs “push the boundaries” in dealing with politically sensitive issues; they are instrumental in upholding basic human rights and fundamental freedoms
- CSOs help to defend collective interests against encroachment by the state and market place
- CSOs can provide a more “grounded” perspective than governments; they have potential to offer “better information” and alternative viewpoints
- CSOs play a key role in preventing and resolving civic unrest and are essential to strengthening social capital
- International consultants can play an important intermediary function between CSOs and ADB by “freeing up NGOs to do what they do best” while ensuring Bank paperwork requirements and timelines are met
- Participation of CSOs is considered fundamental to poverty reduction and optimization of pro-poor benefits; CSOs are representative institutions for poor and marginalized people
- CSOs promote ADB accountability and transparency; “NGOs are good at pointing out our pitfalls – they know how to mobilize the public and the President!”

4.2 CSO Views

From the perspective of CSOs, the benefits—or potential benefits of collaboration with ADB include

- CSOs believe they have greater access to information and to planning and policy-making forums with ADB support
- ADB’s recognition of CSOs as an essential development partner enhances their legitimacy and prominence with national governments and regional inter-governmental organizations
- CSOs believe they have greater credibility with other donors following a period of successful association with ADB
- Some CSOs report a better working relationship with government agencies as a result of their collaboration with ADB; this is considered a significant achievement
- ADB can provide high-level technical assistance with potential for sector-wide benefits—especially in relation to improving CSO financial sustainability and creation of enabling legal and regulatory environments.
- Financial resources provided by the Bank enables CSOs to expand current activities and/or support work in poorly resourced areas
- ADB’s support of CSO pilot projects is highly valued and can be instrumental in leveraging assistance for replication or expansion of activities

- ADB's contribution to building capacity of national and regional level NGO umbrella bodies is appreciated
- Some ADB staff were commended for “going the extra mile”, providing mentoring support, for being approachable, adaptable, helpful, responsive and willing to listen
- ADB has a reputation for being a “hands off” organization once funds are provided; CSOs appreciate the absence of micro-management
- Working with ADB has assisted some NGOs improve their financial management and reporting systems
- CSOs report increased understanding of economic and sector specific issues as a result of collaboration with ADB; some CSOs report expanded networks and increased international exposure arising from their engagement with the Bank
- CSOs acknowledge ADB's contribution to community-based social analysis and the additional knowledge and exposure gained through involvement in these initiatives
- CSOs appreciate opportunities to participate with government and the private sector in developing and reviewing national and regional strategies and membership on project advisory committees
- CSOs believe ADB's significant capacity to influence change at the macro level could be complemented by making better use of NGOs strengths at the micro level. By working together, CSOs think they can add value to ADB policy initiatives and produce better on-the-ground results
- CSOs believe ADB can make an important contribution to good governance by strengthening the capacity and vitality of civil society and promotion of enabling environments.
- CSOs suggested ADB promote citizen forums to enhance public debate of development/governance issues and establish clear mechanisms to ensure civic input into the design of “big projects”.

5. Barriers to ADB-NGO Cooperation

5.1 ADB Views

From the perspective of ADB staff, effective collaboration with CSOs is constrained by the following factors.

Contract complications

- ADB administrative systems are not considered conducive to formal engagement with CSOs; contracting can be complex and time-consuming. While some Bank officials are of the opinion that contracting CSOs “is just not worth it”, others believe procedures can be adapted to suit CSO circumstances if officials are sufficiently motivated.
- CSOs generally do not present good proposals and are not able to compete on the same terms with consulting companies. Appropriate guidelines are needed for the selection of CSOs.

- DACON system registration requirements eliminate most CSOs in the Pacific (i.e., 5 permanent staff; 2 years in business and previous involvement in 3 major projects). Although Direct Selection is generally the preferred method of contracting CSOs (though this can also be complex and time-consuming) staff are uncomfortable with the omission of competitive bidding processes and feel vulnerable to allegations of nepotism.
- Staff stressed the importance of securing space for CSO involvement at the TA and loan preparatory stage before contracting arrangements are locked in; contract variation processes discourage innovation and flexibility. Sections on implementation arrangements must specify involvement of civil society groups.
- Most staff believe local CSOs are better positioned to act as implementing rather than executing agencies as few organizations seem equipped to cope with existing project management requirements. There is also concern that high administrative expectations will divert CSOs from their core business.
- Staff expressed concern about the potential for exploitation of CSOs when sub-contracted by consulting firms. This could occur if commercial companies receive overhead expenses meant for CSOs and when local groups are unaware of their market value and have limited experience with price negotiations. Guidelines are needed in this area.

Fear of reprisal

- Some staff view CSOs as unpredictable and volatile; they have the ability to delay or sabotage projects and create career and/or public relation problems.
- While some officials are concerned about the consequences of giving CSOs a voice, others are concerned about the consequences of *not* giving CSOs a voice in ADB initiatives.
- ADB staff described a corporate culture that is not always conducive to learning through experience, experimentation or risk-taking, although some report that this is changing.
- Some staff are concerned ADB engagement with CSOs is reactive in nature; this atmosphere may intensify with increased regional presence if sector relations are not proactively and skillfully managed.

"I get NGOs involved because I like to avoid trouble".

"We need to move the basis of our relationship with NGOs from controversy to one of collaboration".

"Increased exposure brings increased risks. The new Resident Mission must take relationships with NGOs seriously or we'll all be in the soup".

Lack of capacity, substance and sophistication

- CSOs lack sophistication; they don't produce high quality reports or provide timely financial acquittals.
- CSOs lack absorptive capacity and are unable to make wise use of ADB resources; CSOs are "immature"; the sector is "weak" and already overburdened.
- CSOs have good sector specific knowledge but have difficulty contributing to macro level analysis and planning.
- CSOs lack sufficient capacity and scope to be an effective counterpart or alternative provider to government. CSOs do not always understand how their own governments operate or how to effect political change.
- ADB lacks capacity for effective engagement with CSOs; most Bank staff have little or no previous experience working with civil society groups and do not feel comfortable and competent in this area. Several staff stressed the need for ADB to focus more on improving its own capacity to relate to CSOs by addressing "mental and material constructs".

"NGOs are like cappuccino. They're all foam and no brew".

"The Bank doesn't listen if presentations aren't polished. Consultants write better so we listen to them. We get seduced by slick words and visual presentations."

"We can't opt out of working with governments because they have inadequate capacity so this should not be an acceptable excuse for not working with NGOs".

Uncertain roles and engagement processes

- Unlike government, the protocols for working with CSOs are unclear, vary over time and between countries and are politicized in ways Bank officials don't always understand.
- If key "gate-keeping" government ministries do not support CSO involvement in ADB sponsored activities, most Bank officials do not believe it is their prerogative to pursue this agenda. While some staff emphasized the importance of educating government officials on the role of CSOs in achieving poverty reduction outcomes, people are divided on whether the Bank should take a more active role in this regard ("we can lead the horse to water but how do we make it drink?")
- Staff are concerned that when governments do not provide sufficient information to CSOs about ADB activities in country, the Bank gets blamed for this.
- Bank officials are not clear if the focus of ADB's work with CSOs is in the area of participatory policy development or project implementation.
- Connecting with CSOs is seen as time consuming and tedious; contact information is often difficult to obtain.

- CSOs don't understand ADB's purpose or processes, resulting in unrealistic expectations, misunderstandings and conflict.

“Working with NGOs is not a priority. It's easy to work through governments. We relate bureaucrat to bureaucrat. It's clean and it's clear”.

Questionable legitimacy

- Bank personnel lack sufficient background information on CSOs to determine if organizations are credible and reliable.
- It is difficult for staff to determine the legitimacy of CSO constituencies and whom these organizations really represent; “Anybody can call themselves an NGO”. Relations between NGOs are prone to jealousies and territorialism making it even more difficult to accurately appraise the situation.
- Staff are concerned with the tendency in agency and development rhetoric to “romanticize” CSOs, despite the fact that these organizations “don't always know best”. Some CSOs have limited understanding of complex socio-economic issues and promote out-dated strategies; community-based groups can be motivated by self-interest and short-term benefits.
- Staff noted that weak social capital in Pacific societies means communities are not always concerned with improving the common good; this creates tension for Bank officials interested in promoting broad-based public benefits.

Time and scheduling constraints

- Bank staff must operate on tight timelines and are “bombed with policy and financial matters”; dealing with CSOs is time-consuming and often considered a “soft activity”, at least somewhat extraneous to core business.
- Bank officials described themselves as being “preoccupied with paper” and “too pressured to build relationships” outside the primary client group.
- CSO consultations are often rushed; staff are concerned national groups are being “put on the spot” and expected to speak on behalf of their constituency without sufficient time to properly consult.

Lack of incentive

- Staff believe there is little organizational incentive to focus on CSOs—disbursement is monitored, not quality of engagement. Working with CSOs is considered a labor-intensive activity that does not produce commensurate internal recognition.
- CSO cost-effectiveness could undermine the Bank's need to expend large sums of money.
- CSO relations are left up to individuals, resulting in variable approaches and levels of prioritization.
- Some staff are of the opinion that all country programming missions should be required to consult with NGOs, while others are more concerned with ensuring CSO

engagement is purposeful and mutually beneficial. There is some concern that forcing collaboration with CSOs could weaken the sector and destroy relations.

- Staff stressed that consultations with CSOs are of little value without proper documentation and follow-up; better methods are needed to differentiate the depth of CSO participation in ADB supported activities.
- Some staff suggested that staff appraisal systems be revised to reflect people's ability to work with civil society groups and promote collaboration between state and non-state actors.

"Promotions are based on lending not relating."

"Projects are evaluated on price; voluntary effort is not considered".

"ADB needs to place value on lives not just livelihoods".

Relationship and participation issues

- The quality of ADB-CSO relations seems largely dependent on the attitude of Bank officers and their aptitude for engagement with "NGO types". Professional orientation and employment background are considered key factors in the way people relate to CSOs and view the importance of this engagement.
- High staff changeover within ADB and CSOs makes it difficult to develop and sustain relationships; "it takes a long time before NGOs trust us".
- Rapid implementation of projects and lack of impact monitoring, especially at community level, preclude CSO participation.
- There is no agency-wide understanding about the principles or practice of genuine participation or of the need to quantify levels of engagement.

"We consult like bureaucrats, not as people-to-people. We rarely leave the capital city".

"The idea of participatory workshops is ridiculous. The executing agency selects who attends and there is no guarantee that community views will be heard. People feel intimidated to talk".

"We don't really listen to NGOs, we don't trust each other". "We need to talk with NGOs without a pre-determined agenda".

"We need to move beyond using NGOs as hired hands". "If we use NGOs just for the sake of using them, we'll destroy them".

"It's easy to talk about ownership but we talk more than we do; terms like participation are "window dressing"

"The Bank is product orientated, participation is a process that's not covered in our procedures".

"The Bank does good brick and mortar work. We're much better with hardware than software".

Undue Influence

- Some staff stress the need to ensure CSO involvement in Bank activities does not alter the “essence” of these organizations or serve to undermine the sector’s vitality and diversity.
- There is concern that ADB focuses more on the service delivery aspect of CSOs, especially with regard to their potential to lower costs of basic services in remote areas, than on their public education and advocacy roles.
- Although Bank officials and consulting companies more routinely engage CSOs in sub-contractual arrangements there are no procedures in place to monitor the impacts of this practice.
- There is a relatively high degree of organizational tension regarding ADB’s engagement with advocacy oriented CSOs. Some Bank staff feel CSOs are being disloyal if they publicly challenge the Bank’s actions once a relationship has been established.
- While staff stressed the need for CSOs to deliver quality outcomes, there is concern that standardized reporting outputs “will change NGOs from doers to writers”.

“If they become too efficient, they’ll just be another consulting firm”.

5.2 CSO Views

From the perspective of Pacific NGO representatives, effective collaboration with ADB is constrained by the following factors.

Uncertain roles and processes of engagement

- CSOs do not have a good understanding of ADB’s mandate, range of Pacific-based activities or interest in civil society
- CSOs do not know the proper procedures for accessing information and support from ADB.
- ADB is considered “an Asian institution”; CSOs would like the Bank to have a stronger regional presence and to employ an “open door policy”.
- Very few CSOs in the Pacific are aware of the ADB-Government-NGO Policy Framework, the *Partnership* Newsletter or NGO website information.

“We have tried hard at every level to work with the ADB but have met nothing but obstacles and excuses so pretty much gave up on them about a year ago”.

Perception problems

- In general, CSOs view ADB as a highly hierarchical, bureaucratic institution, largely removed from the lives of ordinary people. Many see the Bank as a “financial giant” unable to respond to micro-level issues; most CSOs feel isolated from the Bank.

- CSOs are more aware of the Bank's lending capacity than its technical assistance support capabilities.
- CSOs are "suspicious" of ADB; some report a lack of trust in the institution because of the Bank's association with failed environmental and economic projects in other parts of the world and "neo-liberal monetary policies". Some believe the Bank is more focused on addressing shareholder than community interests; many are concerned with the Bank's role in increasing national debt loads and the impacts that loans have on the poor. Several CSOs reported "keeping watch" on MDBs operating in the Pacific.
- Some groups are concerned the Bank wishes to suppress advocacy CSOs because of their potential to impede structural and economic reform processes.

"ADB has vast amounts of money that they are happy to throw at TAs and reports. If even just a small percentage of this resource came to NGOs our financial worries would be over".

"The ADB is a problem for advocacy, environmental and conservation NGOs because of its reputation for manipulation and big time spending. It is regarded as a funder of big business and a collaborator of corrupt governments".

Consultation and time concerns

- CSOs are concerned about "TA and consultant driven approaches" and want greater involvement in the early identification of issues and interventions.
- CSOs feel they are often consulted *after* key decisions have already been made; many think their involvement is considered extraneous and superficial.
- CSOs are highly critical of "fly-in fly-out" consultations by foreign experts who do not understand the local context or seek out the views of CSOs.
- While CSOs described feeling pressured by the Bank's tight timelines and "impossible schedules", some organizations reported greater flexibility after contracts were negotiated and implementation was underway.
- The "lumping together" of Asia and Pacific representatives in Bank consultation processes is generally not empowering for Pacific delegates. They tend to feel outnumbered and unable to effectively articulate their views, which can be vastly different than the experience of Asian CSOs.

"ADB-NGO collaboration has been one-sided; we take on projects that the Bank is interested in pursuing, but up until now we haven't been able to set an agenda of our own".

"The first thing that ADB could do if they want improved relations is to allow for the possibility, however slight, that NGOs might see something that Bank planners don't".

"We must be careful ADB is not just using NGOs to score green points".

“We’re tired of being an afterthought”.

“ADB doesn’t listen to us. They just keep sending consultant after consultant to tell them what we could have told them in the first place”.

“Organizations like ADB just want to make it look like they are listening to what NGOs say. Many NGOs see it as a sham....If they really want to talk with NGOs —really talk—and hear what we have to say they have to hold national meetings, country by country, then have a regional meeting where we can all discuss concerns together”.

“The ADB doesn’t have to throw dollars at NGOs to make a good contribution– they just have to listen and then help to make sure governments and other donors hear what we have to say”.

Lack of Sustainability

- CSOs are concerned ADB does not pay sufficient attention to addressing cultural factors and social mind-sets when planning projects. Attitude change, usually a prerequisite of sustainable development, is a complex and long-term process that requires deeper analysis and more focused intervention at community level. In this regard, CSOs think ADB needs to make better use of local knowledge and expertise and adopt a longer time frame for project implementation.
- There is concern about ADB’s involvement in one-off activities and lack of follow-up support and monitoring. CSOs think greater effort is needed to link previous and current activities and add value to existing initiatives.
- CSOs raised significant concern over the financial instability of the sector and chronic lack of core funding. Many CSOs urged ADB to assist in strengthening the sector’s sustainability by creating/promoting trust funds and not-for-profit tax incentives. CSOs also believe ADB could play a pivotal role in advocating with other donors for core funding.

“ADB needs to invest more in the follow through. They think the work is finished when the report is done”.

“ADB likes to fund something once then they dump it just when the work gets going.”

“ADB is better at creation than implementation”.

“The Bank is more concerned about lending money than they are about creating sustainable systems and building local capacity”.

Selection issues

- Local CSOs believe the Bank favors relationships with international organizations because of their greater report writing and presentation skills—even though these groups are not necessarily better at community level work. CSOs stressed the need for ADB to recognize that some CSOs are more adept at public relations and preparing funding applications than they are at carrying out the work and vice versa. CSOs warned the Bank to be careful about “not judging the book by its cover”.

- Not all CSOs have legitimacy to represent community interests or facilitate local action. The need for ADB to “do its homework” was continually stressed.
- CSOs operate in a highly competitive funding environment; “shoulder tapping” of certain organizations can lead to alienation of other groups and create disunity within the sector.
- There is some concern that cooperation with ADB will result in criticism from CSO colleagues who have ideological differences with the Bank.

“Please alert the Bank to the many “spiv” (insincere) NGOs that sprout up like mushrooms just to get the money and about CONGO’s [NGOs established by companies] that protect corporate interests. If they get close to them, there goes any credibility they have. The ADB has to engage with legitimate groups who represent community interests, not their own”.

Relationship Issues

- High ADB staff turnover makes relationship building difficult and results in poor institutional memory.
- ADB staff and consultants often do not understand CSO ethos and adjust their style accordingly.
- CSOs think it takes a long time to develop a relationship with the Bank, especially where funding is involved.

“Lots of NGOs and locals are fully capable of preparing reports or managing projects for ADB but find it difficult to get noticed.

“The resources that NGOs offer are of considerable value and should be better utilized”.

Potential for cooption

- CSOs are concerned their agendas may be compromised through collaboration with ADB. This could result in CSOs being used as alternative service providers and a lessening of their ability to affect change through advocacy.
- Some CSOs are concerned about their image and reputation at the community level if they collaborate with the Bank.

Need for Fair Compensation

- Some CSOs expressed concern over remuneration rates paid to the sector, particularly in relation to the cost of international consultants/firms. While some CSOs stress the importance of maintaining the “spirit of volunteerism”, the need for fair compensation was also emphasized.

- Several CSOs reported negative cost recovery in relation to their engagement with ADB and feel the Bank got a much larger investment than contracted for. There is a sense that ADB undervalues CSO input and takes the “concept of volunteerism too far”.

“We don’t want a poor-cousin relationship”.

“We lost money by the bucketful working with ADB”.

“ADB shouldn’t take unfair advantage of NGOs. If they really want to support us, they should teach us how to operate in the commercial world and be a model for governments”.

Lack of Enabling Environment

- CSOs believe good ADB-CSO relations are dependent on good Government-CSO relations. As such, the attitude of government officials to involvement of civil society in ADB policy and project work can serve to include or preclude engagement of CSOs. ADB was strongly urged to develop a clear policy statement outlining their expectations for CSO involvement in ADB country-level activities and communicate this to PDMC governments.

“NGOs in the Pacific love to bash donors and banks. That’s partly because we envy their ability to influence our governments in ways that we can’t”.

6. Good Practice Guidelines for ADB-CSO Cooperation

Through discussion of lessons learned, ADB and NGO personnel identified the following good practice guidelines arising from collaborative efforts to date.

1. **Relationships are the key to effective collaboration.** This requires a genuine desire to listen and learn and an up-front investment of time. ADB staff should view informal engagement with civil society as part of a two-way capacity building process.
2. **Consult with CSOs before decisions are made.** Involve civil society in preliminary planning processes to ensure ideas are incorporated at the conceptual level; CSOs are highly critical of “token” participation.
3. **Be purposeful and strategic.** There must be a legitimate and clearly stated reason to engage CSOs other than “checking the box”; respect the time and resource constraints facing CSOs.
4. **Be experimental and take risks.** CSOs tend to think “outside the box” and may raise issues and suggest interventions that do not occur to Bank officers. Support pilot initiatives.
5. **Be flexible and adaptable.** Many Pacific CSOs are unable/unwilling to handle the time and documentation rigors expected of consulting firms and international consultants; ensure expectations are realistic and mutually beneficial; provide capacity building support as an integral part of the project.

6. **Do your homework** Not all CSOs have legitimacy to represent constituent interests.
7. **Avoid shoulder tapping.** Expand networks; engage with groups with diverse experience and divergent views.
8. **Avoid stereotyping.** All CSOs are not the same; tailor engagement to suit the interests and capacity of specific organizations.
9. **Coordinate with other donors.** The Pacific NGO community is small and has limited absorptive capacity; assistance needs to be targeted, congruent and add value. ADB needs to determine and articulate its comparative advantage, relative to other donor agencies, at national and regional level.
10. **Create enabling environments.** Use processes that empower CSOs. Hold separate CSO and government consultations with a view to conjoint meetings when all parties are amenable. Use an external facilitator adept at participatory approaches when consulting with groups of CSOs.
11. **Promote enabling environments.** Support multi-party initiatives that involve state and non-state actors; create space for CSOs in policy formulation and review; understand and address legal and regulatory constraints.
12. **Enhance public image.** Provide information on ADB activities, resources and ideology; address criticism constructively; follow-up on commitments.
13. **Improve internal coordination.** Ensure contact information, experiences and lessons are documented and shared among staff; discuss successes and failures openly; ensure organizational learning is cumulative and accessible.

7. Strategies to Enhance ADB-NGO Engagement

This section highlights a series of operational and program related strategies that ADB can take to improve the effectiveness of their engagement with CSOs. While these recommendations focus on enhancing ADB's practice, this is not to suggest that CSOs share no responsibility for strengthening relations. Indeed effective inter-agency cooperation takes concerted intention and effort by all parties. It is hoped this study will serve as a springboard for collective introspection and action that advance development partnerships in the region.

7.1 Establish and articulate areas of strategic focus in the *Pacific Strategy 2005-2009*

Although extensive and diverse, ADB's collaboration with CSOs in the Pacific appears somewhat ad hoc; initiatives tend to lack coordination and longevity. Because CSP documents do not provide a clear focus for engagement with civil society, CSOs do not understand how to engage with the Bank nor believe their input is valued in the development of priorities and plans.

Engagement with civil society needs to be strategic, process-driven and considered from a long-term perspective; a strong organizational commitment to poverty reduction through enhanced civic participation and multi-stakeholder approaches is essential. A primary objective of the CSP process would be to recognize and institutionalize civil society participation in development partnerships with PMDC governments and private sector to reduce poverty and achieve Millennium Development Goals.

In addition to issues that may arise through preparation of the *Pacific Strategy 2005-2009* and subsequent CSP/Us, the central themes emerging from this study with respect to areas of strategic focus include:

- Promoting enabling environments (i.e., the legislative, regulatory and policy frameworks in which CSOs operate)
- Building CSO capacity, especially in relation to strengthening civil society networks for collective action
- Increasing the financial sustainability of the sector through promotion of tax-friendly environments, trust funds, viable business ventures etc., and
- Strengthening public demand for good governance.

It was also suggested ADB focus on supporting civil society in poorly performing economies and assist CSOs that are addressing “the priorities of the poor” through provision of basic services and livelihood support.

➤ **Suggested Process**

Current development of the *Pacific Strategy 2005-2009* provides a pivotal opportunity to consult with a wide range of stakeholders concerning ADB’s role in supporting the development of a robust civil society in the Pacific. While specific ADB-supported activities involving CSOs will vary from country to country in response to local circumstances, there is likely to be a significant level of regional congruence regarding areas of comparative advantage. As such, the Pacific Strategy can provide a broad framework for developing CSP/Us that more clearly delineate ADB’s overall role in relation to civil society in the region.

The process used to engage stakeholders in the development of the regional strategy is extremely important as this will determine future directions as well as set the tone for collaboration with the sector. The Pacific Strategy Initiating Paper should ask specific questions related to the role with civil society in addressing identified priorities; comparative analysis of responses from government and civil society stakeholders will provide important information about sector relations and perceptions of development issues. Pacific CSOs generally prefer separate consultations from government—depending on the sequence of meetings it may be necessary to solicit further feedback following consultations with state agencies.

To optimize results of these consultations, CSOs need adequate opportunity to review the Initiating Paper and seek the views of their constituents in advance of Pacific Strategy meetings. It is important to select a representative range of CSOs with broad-based development experience. Consultations with Pacific CSOs are most productive when conducted in a participatory style with professional external facilitation.

Consultations for the Pacific Strategy also provide an excellent opportunity to increase CSO understanding of ADB’s work in the Pacific and the role of the new Resident Mission. If possible, include discussion on the new Accountability Mechanism and the Disclosure/Communications policy to avoid confusion and overburdening CSOs.

In developing a regional strategic focus for CSO engagement, it is important to recognize the work and experience of other donors. In addition to the considerable resources provided by AusAID, NZAID and a range of other international agencies, the EU has greatly increased the scope of its work with non-state actors. Consequently, development of regional and country

strategies designed to strengthen civil society will require serious dialogue with other donor stakeholders. In this regard, ADB's participation in and support of regional stakeholder workshops on NGO capacity building in the Pacific is critical (see Section 8.3).

7.2 Promote enabling environments for civic engagement

While CSOs are often suspicious of the motives of international financial institutions and are reluctant to engage at a deep level, they also believe ADB has a degree of neutrality and the ability to influence government attitudes on engagement of civil society, especially at the policy level.

In the Pacific, there is a need for legal frameworks that enable CSOs to perform to their fullest potential. Both ADB and NGO staff emphasized the importance of bringing civil society into the mainstream of public affairs—without alienating governments—and strengthening the operational environment of these organizations. In this regard, NGOs believe ADB, like other multilateral organizations, is ideally positioned to strengthen civil society by facilitating dialogue and “creating space” for greater cooperation between governments, donors and CSOs. In this way, ADB's comparative advantage may rest in its ability to serve as a catalyst and broker in bringing key stakeholders together around a common agenda – i.e., poverty reduction and the achievement of the Millennium Development Goals.

Involving CSOs and other non-state actors in the formulation and implementation of public policies has become a major feature of political life in countries around the world, reflecting the emergence of new forms of participatory democracy. While Pacific Island leaders have officially supported this approach to policy development at regional and international forums, mechanisms for meaningful civic engagement have generally not progressed. It is important that examples of innovative and effective public engagement are documented and promoted by ADB and other international agencies working in the region.

Although Papua New Guinea is the only Pacific Island government to have a national NGO policy, other PDMCs have expressed a desire to strengthen relations between state and non-state agencies. For instance, the government of Samoa has identified the need for improved partnerships with civil society in its national development plan and the Fiji Ministry of Women, Social Welfare and Poverty Alleviation intends to develop a policy framework to guide future interaction with CSOs. These CSO-friendly policy frameworks can serve as a model for other PDMCs interested in advancing and formalizing relations with the sector.

The need for ADB to be involved in increasing civic engagement—the process in which people are actively involved in the economic, social, cultural and political processes that affect their lives—was continually emphasized. Civic engagement contributes to good governance by ensuring citizens are actively involved in identifying priorities, developing strategies, monitoring results and holding governments accountable for the allocation and utilization of public resources hence, stimulating demand for good governance.

A key constraint to effective civic engagement in most Pacific Island countries is the low level of political literacy—people simply do not understand how a democracy is supposed to work, the role of elected leaders, opposition members, civil society groups or their rights and obligations as citizens. This leads to unrealistic expectations and over-reliance on the public sector and serves to constrain community self-reliance. ADB and NGO personnel believe ADB could play an important role in increasing political literacy by supporting community empowerment and rights-based programming work. Stakeholders stressed the importance of

the media and community-based non-formal education in changing public attitudes that restrict civic participation in governance processes.

Promoting enabling environments could involve a wide range of activities such as assisting CSOs engage more effectively in state-led policy and review processes, addressing restrictive legal and regulatory frameworks and enhancing the sector's ability to design, implement and monitor pro-poor activities in collaboration with PMDC governments.

7.3 Build the capacity of civil society: focus on strengthening CSO networks and sector sustainability

Many stakeholders advocate for ADB involvement in building the capacity of Pacific CSOs given the sector's formative stage of development, resource constraints and overall lack of organizational management experience. Working through CSO networks is considered strategic because of the potential for multiplier effects and the need to build CSO capacity for collective action and to strengthen communications within the sector.

Perhaps the greatest concern of regional NGOs is how they will endure over time given their heavy dependence on overseas aid. These organizations have a keen desire to become less dependent by establishing mechanisms that promote sustainability and are rooted in local economies.

Strengthening the capacity of CSOs to operate more effectively in a range of areas—including human and financial management, programme planning and monitoring, public education, social analysis, advocacy and stakeholder relations has been identified by CSOs and donors alike as a prerequisite to improving the political and economic performance of PDMCs. As such, NGO capacity building has been the focus of numerous sector and donor-led initiatives in recent years². The *Clearing House Framework for Pacific Regional NGOs on Capacity Building 2002 – 2006* presents an integrated and cooperative approach to building the capacity of civil society in the Pacific and outlines a 5-year plan of action—based on priority issues identified during a wide, multi-year consultative process involving NGO representatives from national and regional level organizations.

It is recommended ADB continue to work alongside other donor agencies to support the implementation and review of this action plan by addressing sector-identified priorities in CSP and TA activities whenever possible. ADB was encouraged to focus on promoting the financial sustainability of the sector by advancing work on establishment of trust funds, non-profit tax incentives, business ventures, access to loans and other forms of credit, development of enabling legislation etc. It is also important to review the use of ADB small grant funds provided to CSOs to ensure optimal matching of resources to the strategic demands of the sector.

7.4 Ensure participation of CSOs and integration of civil society issues in CSP/Us

ADB considers the Country Strategy and Program (CSP) the primary vehicle through which cooperation between CSOs, governments and ADB can be strengthened. The process of reviewing and developing CSP/Us provides a strategic opportunity to engage civil society in

² For instance, recent multi-stakeholder meetings on capacity building were held in Fiji (PIANGO, 1997 and Canada Fund, 1998), Papua New Guinea (IFCB/ASPBAE, 1999), Samoa (IFCB/ASPBAE, 1999), Vanuatu (PIANGO Council, 1999 and ADB/NZODA/AusAid/PIANGO, 2000) and Fiji (CIDA/UNDP/DFID/Canada Fund/NZODA/AusAid/CCFD/PIANGO, 2001). The 2000 meeting in Vanuatu was funded by a consortium of donor agencies including ADB.

analysis of achievements and constraints and in the preparation of sectoral reviews and thematic assessments — Pacific CSOs have particular interest in issues related to governance, environment, poverty, gender and social capital.

It is important to involve CSOs early in the CSP process to ensure adequate input in the identification of key issues and to facilitate consultation with civil society constituencies. Pacific CSOs are highly sensitive to “token consultation” processes; it is essential ADB representatives take civil society participation seriously and genuinely value feedback provided by the sector. Consultation needs to encompass organizations with opposing views; ADB’s credibility with civil society depends on how it engages advocacy groups in constructive dialogue.

The importance of assessing and documenting the status of civil society— aside from its relationship with ADB—as an integral part of the CSP process was repeatedly emphasized during this review. These assessments should include the role CSOs play in influencing the political, economic and cultural environment; the nature of Government-CSO relations; the legislative, regulatory and policy context in which the sector operates; and the stage of development of civil society in each PDMC. CSP/Us also need to include a clear statement regarding ADB’s role in building the capacity of civil society for meaningful engagement in Bank sponsored activities, advancing sector-identified objectives and enhancing relations between state and non-state actors.

It is essential CSP/U documents more fully recognize the contribution of CSOs to poverty reduction through work on sustainable livelihoods, ecological conservation, promotion of gender equality, good governance and the delivery of essential services and non-formal education. CSOs stressed the importance of acknowledging the contribution of CSOs in both social and economic terms.

Institutionalizing CSO involvement in CSP processes will not happen by chance; thorough pre-planning is required to determine the best way to optimize civil society participation in each PDMC. Preliminary stock take meetings provide an important opportunity to consolidate information on civil society and determine an appropriate consultative strategy.

To effectively engage with ADB, CSOs need to fully understand how the CSP process operates and how their input will be incorporated in this planning cycle. Sufficient advance notice of agenda items must be provided to CSO representatives to ensure proper constituent consultation. Whenever possible, ADB should dovetail CSP consultation processes with other sector-focused work to avoid overloading CSOs that are already stretched.

In addition to looking at operational methods of engaging CSOs in ADB’s in-county work, it is also important to consider the nature of this collaboration. For instance, the World Bank categorizes engagement with civil society into three spheres of activity— facilitation, dialogue and consultation and partnership depending on levels of interaction and expected outcomes. This kind of orientation can provide a wider scope for engagement and dissuades Bank-centric approaches to ADB-CSO cooperation.

7.5 Enhance participation of CSOs in project preparation, implementation and evaluation

Involvement of CSOs in the loan cycle is ad hoc and highly dependent on the type of project, the attitude of Bank officers, government officials and consultants and the availability of civil society groups with applicable interest and skills. While most respondents encouraged closer

collaboration with CSOs throughout project preparation and implementation, PARD staff also cautioned against “blanket-policies” requiring CSO participation—engagement must be designed to add value and achieve specific and collective objectives.

There is a need to develop creative and situation-specific modalities to enhance CSO involvement in project work and to clearly articulate the purpose of this engagement in MOUs with PMDC governments; restrictive attitudes and policies need to be addressed up-front.

Respondents emphasized the importance of engaging CSOs in the pre-design phase to ensure greater public participation in investment and sector development planning: PARD staff have had considerable difficulty obtaining CSO “buy-in” during project implementation if these groups were not actively involved in the design phase. In situations where advocacy oriented CSOs may have opposing views on a project’s purpose or potential impact, it is essential these groups are provided legitimate opportunities to raise concerns, offer alternative viewpoints and influence decision-making during the design stage.

CSO involvement on project committees can diminish an organization’s already limited capacity to achieve results in areas of core business, especially when the same groups participate in ongoing activities for several donors. As such, ADB was asked to recognize and value the time and resource constraints facing Pacific CSOs through use of fair reimbursement processes. Providing financial compensation to CSOs (not individuals) involved in project implementation and monitoring can strengthen agency financial viability, enhance sector status on government-led committees and ensure CSO representatives meet ADB attendance and other expectations. It is important to provide a clear TOR and proper orientation.

Effective engagement of CSOs in project cycle activities will require a thorough review of administrative and attitude constraints that preclude cooperation and an organization-wide commitment to establishing inter-agency arrangements that foster genuine participation. Consulting companies need guidelines for working with CSOs; the quality of this interaction needs to be appraised.

PARD staff stressed the need to include more detailed accounts of CSO consultations in Back to Office Reports, to make use of new knowledge management systems to catalogue information and disseminate learning on best practise approaches, and to establish participatory monitoring and evaluation systems that facilitate holistic assessment of medium to long term development impacts. There is also a need to develop staff guidelines on CSO engagement in all operational processes; the NGOC is currently coordinating this work.

7.6 Create CSO Liaison position in Pacific Resident Mission and expand range and scope of engagement with civil society

It is clear that effective ADB-CSO engagement requires more than an on-the-ground presence—in fact, the presence of an office in Suva is likely to raise expectations and escalate perception and access issues if these relationships are not properly managed. ADB needs to recognize existing public relations problems and take proactive action to strengthen relations and develop higher levels of trust with CSOs in the Pacific.

In general, Pacific NGOs do not understand ADB’s mandate, ideology, processes or activities. Many are suspicious of the Bank’s motives and are reluctant to engage at a deep level; there is also considerable uncertainty about how to engage with the institution on issues of common concern. The dominant perception is that ADB initiatives lead to increased government debt

through neo-liberal policies and support for private sector and economic development, often to the exclusion of social development. At the same time, NGOs believe ADB can be highly influential with PMDC governments and has access to extensive resources that could support civil society agendas.

Very few Pacific NGOs have knowledge of the Policy Framework *ADB-Government-NGO Cooperation* or were involved in development of this document. For the most part, civil society organizations do not feel well connected to ADB or believe they are part of the organization's circle of influence. While poverty reduction is now ADB's overarching objective, most NGOs in the Pacific are not aware of the Bank's commitment to pro-poor policy development and enhanced civic engagement. To improve relations with the sector ADB must address this gap in understanding through a proactive and targeted communications strategy.

Civil society in the Pacific is young, dynamic and evolving; without a dedicated focus and on-the-ground presence it is difficult for Manila-based staff to maintain adequate knowledge of CSO issues or to capitalize on strategic opportunities for collaborative action with other stakeholders.

With sufficient capacity, the Suva Resident Mission could play a critical public relations and promotion role with CSOs in PDMCs. Having a majority of regional NGO bodies based in Suva presents an excellent opportunity to advance relations with the sector and to work in creative and participatory ways with these diverse networks. Previous ADB experience has shown that dedicated CSO positions in Resident Missions facilitate more effective communications and engagement in Bank activities.

A CSO Liaison Officer for the Pacific could assume primary responsibility for

- Developing and maintaining a descriptive list of CSOs in each PMDC
- Documenting CSO engagement in ADB supported activities
- Designing a monitoring and evaluation framework to assess development impacts and outcomes
- Preparing case studies and protocols for engagement
- Facilitating consultative processes with CSOs
- Liaising with other donor stakeholders
- Collecting and distributing policy and IEC related materials and contributing to the ADB NGO website and newsletter
- Participating on stakeholder committees
- Coordinating training for CSO and ADB on sector engagement, and
- Assisting PARD staff to engage CSOs in loan cycle activities and CSP processes.

This position could play a pivotal role in improving ADB's public image with civil society in the Pacific, smoothing information and communication flows between Pacific CSOs, Manila-based PARD and NGOC staff and PMDC governments and assist in implementation of the ADB-NGO-Government Policy and Framework for Action.

It was also suggested ADB establish a CSO committee to assist Resident Mission and PARD staff monitor and improve multi-sector engagement in the region. This committee could play an instrumental role in piloting a new Pacific wide monitoring and evaluation system that moves beyond the current input-based M&E approach to use of more integrated and interactive methods. The goal would be to measure the results of ADB-CSO collaboration using a range of qualitative and quantitative indicators that enable ADB to track progress on

civic engagement and improved accountability. CSO engagement also needs to be assessed against established objectives for poverty reduction and achievement of MDGs.

An important objective of a Pacific-based CSO Liaison Officer would be to expand the range of civil society groups engaged in ADB activities and broadening the reach and scope of these initiatives—the need to engage with Churches and other CSOs that provide health, education and livelihood support to marginalized people is considered essential to poverty reduction in PDMCs. ADB needs to take deliberate steps to engage a wider and more complex spectrum of organizations and constituencies within Pacific Island societies (i.e., business associations, foundations, trade-unions, community and faith-based organizations, alliances, coalitions, networks etc.) and to engage citizen groups in development processes.

Should ADB decide to focus on creating enabling environments and stimulating demand for good governance, the use of politically and culturally sensitive approaches and the ability to work effectively with both ADB and CSO staff is imperative.

Respondents suggested the Sydney office establish a clear and proactive process for relating to Australian and New Zealand based CSO networks to enable ongoing sharing of lessons learned and to coordinate plans for working with local organizations. In this regard, the Australia Council for Overseas Assistance, (ACFOA) and the New Zealand Council for International Development (CID) could play an important role.

7.7 Observe good practice guidelines and address operational constraints to effective ADB-CSO collaboration

Engagement with CSOs in the Pacific is uneven and there are some significant institutional constraints to effective engagement. This study has identified a number of good practice guidelines emerging from previous collaboration with CSOs: improved relations with the sector will depend on PARD and Resident Mission staff respecting lessons learned and systemically addressing identified organizational barriers. Good relations with CSOs require a dedicated focus and institution-wide commitment to improved cooperation—minor adjustments to business as usual approaches are unlikely to be successful.

Mainstreaming civic engagement in organizational processes will require ADB to review its own norms and mechanisms for engagement and to serve as a model for PMDC governments in becoming more inclusive of CSOs in development policymaking and programming.

Fundamental change in ADB-CSO engagement is a long-term process that necessitates intervention at a number of levels. For instance, the ADB Board of Directors and management will need to acknowledge and address shareholder concerns and organizational cultural impediments that negate effective engagement; contracting, procurement and controllers divisions will need to develop CSO-friendly contracts, remuneration and reporting systems and modify institutional processes to facilitate engagement with the sector; Regional Departments will need to improve documentation and coordination and intensify CSO engagement in CSP and project processes, the Human Resources Division will need to provide training and ensure staff are appraised and recognized for consistent and creative engagement with civil society; and the NGO Centre will need to provide an overall policy and evaluation framework for ADB-Government-CSO collaboration and ensure lessons learned are shared within the Bank and with external stakeholders.

As civil society in the Pacific expands and matures, there is greater potential for innovative work that strengthens the capacity of both state and non-state actors to fulfill their respective

roles in democratic government and to empower citizens to demand good governance. To capture the benefits of this potential, ADB must enhance its strategic and operational position with civil society in PDMCs.

List of Organizations Consulted

1. Aelon Kein Ad Technical Support Association
2. AIDS Task Force
3. Alotau Environment Ltd.
4. Australia Council for Overseas Assistance
5. Australia Conservation Foundation
6. Australia Foundation of the Peoples of Asia and the Pacific (AFAP)
7. Bismark Ramu Group (BRG)
8. Youth to Youth in Health
9. WAAM, Canoe Building NGO Marshall Islands
10. CELCOR
11. Citizens Constitutional Forum
12. Civil Society Steering Committee
13. Community Aid Abroad
14. Council for International Development (CID)
15. Environmental Law Center
16. Ecumenical Center for Research Education and Advocacy (ECREA)
17. FEMLINK
18. Fiji Women's Rights Movement
19. Foundation for Rural Development (FORD)
20. Foundation of the Peoples of the South Pacific International (FSPI)
21. Foundation of the Peoples of the South Pacific, Vanautu
22. Foundation of the Peoples of the South Pacific, Kiribati
23. Ginigoada Bisnis Development Foundation
24. GREENPEACE
25. International Center for Not-for-Profit Law
26. International Coral Reef Center
27. Live and Learn, Fiji and Australia
28. Marshall Islands Association of NGOs
29. Micronesia Seminar
30. National Association of People Living with HIV/AIDS
31. National Council of Women (Fiji and Vanuatu)
32. NGO Coalition on Human Rights
33. Oxfam, New Zealand
34. Pacific Concern Resource Center
35. Partners in Community Development
36. Pacific Foundation For the Advancement of Women (PACFAW)
37. Pacific Network on Globalization (PANG)
38. NGO Capacity Building PNG
39. Pacific Island Association of Non-Government Organizations (PIANGO)
40. NGO Capacity Building Project (UNDP)
41. Save the Children Fiji
42. Save the Children Solomon Islands
43. Summer Institute of Linguistics (SIL)
44. The Nature Conservancy (TNC)
45. Women in Business Foundation
46. World Wildlife Fund for Nature (WWF)
47. Women United Together in the Marshall Islands (WUTMI)
48. FSM Association of NGOs
49. Hiti Tau
50. Mission Pacific

