

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: RSGS/NGOC

TA No. RETA 6109			Amount Approved: US\$500,000	
TA 6109-REG : NGO Partnerships for Poverty Reduction			Revised Amount: US\$1,000,000	
Executing Agency(ies): ADB		Source of Funding: Poverty Reduction Cooperation Fund	Amount Undisbursed: US\$20,514.00	Amount Utilized: US\$979,486.00
TA Approval Date: 27 May 2003	TA Signing Date: n/a	Fielding of First Consultant(s): n/a	TA Completion Date Original: 31 Dec 2004	Actual: 30 April 2007
			Account Closing Date Original: 31 Dec 2004	Actual: 28 June 2007

**Description:** NGOs play an important role in development processes for poverty reduction, a role which is widely recognized by community groups, governments, ADB, and other multilateral development banks and international aid agencies. Among the particular strengths of NGOs are that they serve as bridges to affected communities and respond to local needs, use innovative approaches to development, help ensure projects are implemented as envisioned, nurture continuity in project work, advocate for increased transparency and good governance, and give voice to vulnerable and marginalized groups. A dynamic and more grounded ADB-government-NGO relationship has been constrained by ADB's lack of a mechanism that provides NGOs with direct access to ADB funding for capacity development, poverty reduction, or other mutually beneficial development activities. This limitation has prevented ADB from supporting innovative NGO activities that might complement ADB's poverty reduction efforts at the country or regional levels. This TA thus laid the foundation for a separate funding modality for NGO activities. In May 2003, TA 6109 was approved for \$500,000 with funding sourced from the Poverty Reduction Cooperation Fund. An additional \$500,000 was approved in June 2004. The additional funds were intended to (i) extend and expand the TA by increasing the number of resident missions/countries participating in the RETA; (ii) increase the total number of NGO projects funded; and (iii) cover additional sectors of activity, including more projects directed to ADB-Government-NGO trilateral engagement or dialogue on poverty reduction and other key development issues.

**Expected Impact, Outcome and Outputs** The TA's overall goal was the enhanced development of long-term strategic partnerships with NGOs and governments to achieve poverty reduction in the Asia and Pacific region. The specific purpose was to provide funding to a limited number of NGOs in Group A and B DMCs to undertake innovative poverty reduction or other activities in key ADB sectors as identified through approved country strategy and program (CSP) documents at the time<sup>1</sup>. Expected outputs were: (i) Successful NGO approaches to poverty reduction strategically upscaled in ADB operations; (ii) Better engagement of NGOs in strategic discussions on poverty reduction efforts in the context of ADB operations; and (iii) Local NGOs more capable of effective interaction with ADB and governments in poverty reduction efforts in the context of ADB operations. Despite variable performance across individual projects, the TA design and formulation certainly contributed to innovative approaches in poverty reduction while improving ADB's relations with operational NGOs at community and national level. NGOs have been effective in reaching poor communities, especially in remote areas.

**Delivery of Inputs and Conduct of Activities** The project funded 71 NGOs in 15 countries. NGO projects funded fell under one or more of three broad categories: (i) pilot or other demonstration projects; (ii) capacity-building activities focusing on collaborative work with ADB and/or government; and (iii) support to local NGOs in providing direct feedback to ADB on issues of high mutual concern such as ADB sectoral strategies. Criteria for grant funding included (i) relevance to CSPs and national poverty reduction efforts, including feasibility of upscaling as part of ADB operations; (ii) contribution to stronger and more productive linkages between ADB, Governments, and NGOs; (iii)

<sup>1</sup> Eligible Group A countries included Afghanistan, Bhutan, Cambodia, Kiribati, Kyrgyz Republic, Lao People's Democratic Republic, Maldives, Mongolia, Nepal, Samoa, Solomon Islands, Tajikistan, Tuvalu, and Vanuatu. Eligible Group B countries include Azerbaijan, Bangladesh, Cook Islands, Indonesia, Marshall Islands, Federated States of Micronesia, Nauru, Pakistan, Papua New Guinea, People's Republic of China, Sri Lanka, Tonga, Turkmenistan, and Viet Nam. India (as a Group B country) is excluded from the TA in that the United Kingdom's Department for International Development (DFID) has established a separate poverty reduction fund for India. Myanmar also was excluded from the TA.

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. The project criteria developed by the NGO Center (NGOC) provided sufficient guidance for NGO proposal submissions. ADB RMs provided valuable assistance in monitoring the projects.

The TA provided only for an international consultant to conduct a mid-term review of the TA to assess the project's overall status and to identify important lessons learned throughout the project activities whose performance was satisfactory. The original timeframe for TA implementation was for two years from 2003 to March 2005. However, the implementation period was underestimated and required two extensions due to delayed project implementation and reporting by NGOs and extensive time required for financial closing.

Overall, all NGOs managed to keep to ADB's timelines for delivery of outputs which were in general satisfactory in terms of its quality. However, NGOs indicated that ADB needs to be more flexible concerning timelines. Projects with short-term and tight deadlines for project completion within clearly defined project frameworks focused on results can often operate against aims of local ownership and sustainability. ADB should allow NGOs more freedom to develop the project step-by-step with the community. The process is as important as the result, but ADB's focus is more on results rather than the process.

**Evaluation of Outputs and Achievement of Outcome** The TA achieved its stated outputs to a certain degree. Upscaling NGO activities into ADB operations (output 1) proved ambitious. This was the first ADB small grants window exclusively for NGOs and many of the participating NGOs had little or no experience with ADB in the past. In terms of NGO capacity to engage in strategic discussions' on poverty reduction (output 2), a review of selected CSPs over the period 2003 to 2005 showed evidence of increased consultation with civil society. In particular NGOs participated in CSP preparations in Azerbaijan, Bangladesh, Cambodia, Kyrgyz Republic, Mongolia, Nepal, RMI, and Viet Nam. Increased capacity of local NGOs to engage with government and ADB (output 3) showed the most evidence in the TA. While almost 45% of the funded projects were for building capacities of NGOs to better engage with government, only one project focused on increasing capacity of NGO engagement with ADB. NGO capacities have been built to provide service delivery and monitor government services. Some (though significantly fewer) are capable of monitoring implementation ADB-funded projects, engaging in policy development with government, and facilitating community consultation.

**Overall Assessment and Rating** The TA is rated as successful. Despite variable performance across individual projects it is clear that the small grants to NGOs have contributed to improving thousands of lives of poor people for a relatively small sum, while improving ADB's relations with operational NGOs at community and national level. The TA has had a positive impact on increasing ADB's capacity to engage with NGOs. Early linkages have been created between newly established ADB RMs and NGO/CSO communities, NGO data bases in RMs have been updated and enhanced, and increased opportunities to engage with NGO/CSO partners on NGO/civil society issues have emerged. Interestingly, building stronger partnerships with the government and civil society were not priorities for NGOs. The TA thus had an impact in building the capacity of NGOs to promote better collaboration with governments.

**Major Lessons** While the intention of the small grants facility was to be strategic in nature, the projects funded represented an ad hoc range of initiatives with limited linkages to ADB operations and did not result in upscaling and integration into ADB TA, loan portfolios or taken up by governments. The TA should have had a more systematic approach to distilling and disseminating learning from the projects which could have resulted in upscaling and integration into ADB operations.

**Recommendations and Follow-Up Actions.** The NGOC and RM staff inputs were key to the smooth implementation of the TA. However, increased resources for project monitoring by RMs in the future would strengthen ADB's engagement with the NGOs, and enable ADB to provide stronger support and contribute more substantially to NGO project results. Project reports also reveal a vast array of development models being piloted and mainstreamed by NGOs across many sectors. The dissemination of results especially those with the potential for replication, upscaling and integration into ADB initiatives should be disseminated more widely to ADB operational staff.