

MANAGEMENT RESPONSE TO THE SPECIAL EVALUATION STUDY ON THE INVOLVEMENT OF CIVIL SOCIETY ORGANIZATIONS IN ASIAN DEVELOPMENT BANK OPERATIONS

On 8 August 2006, the Director General, Operations Evaluation Department, received the following response from the Managing Director General on behalf of Management:

A. Overall Comments

1. Management welcomes the OED special evaluation study (SES) and its recommendations and finds the study particularly well-prepared and constructive. The SES reflects a solid understanding of the nuances among different types of Civil Society Organizations (CSOs) as well as the complexity of ADB's relationship with these organizations. We will consider the study's findings positively to make ADB's future work with CSOs more strategic and systematic.

2. We have noted that "the study does not claim to provide a representative evaluation of the complete range of CSO involvement in ADB operations" (para. 29). As a result, certain areas where ADB has heavily engaged CSOs, e.g., at the Annual Meeting and in the review of ADB policies and strategies, are not addressed. Many relationships are built with CSOs in these contexts, often leading to subsequent civil society involvement in Country Strategy and Program (CSP) formulation, loans, and technical assistance. We also consider that sector specificity is important for ADB's engagement with CSOs as the sector will play a very important role in influencing the type of CSOs to work with, for example, in terms of the type, level and number of CSOs to deal with. Likewise, country specificity is also important. In some countries, CSOs play a major role in society and politics (e.g. Bangladesh, Philippines); in others they are barely existent (e.g., Uzbekistan, Turkmenistan). Nevertheless, the SES identifies several practical ways to enhance ADB's engagement of CSOs to improve country programming and project performance. Lessons learned, conclusions, and survey information collected should prove helpful to the preparation of the forthcoming staff resource book on working with CSOs.

B. Comments on Conclusions and Recommendations

a. Overview of CSO Involvement in ADB Operations (paras. 137–140)

3. We believe that the following comment is too sweeping: "more analysis is needed before ADB embarks on a full-scale strategy for comprehensive involvement of CSOs in the complete range of ADB operations." Such a remark might have been relevant a decade ago, but over the years ADB has gained considerable experience in working with CSOs, and is already well down the path of comprehensive engagement of civil society. This is reflected in documents, such as the policy on Cooperation Between ADB and Nongovernment Organizations (NGOs) (1997), ADB-Government-NGO Cooperation: A Framework for Action, 2003–2005, and the Long-term Strategic Framework

(2001–2015). Where additional analysis could add the most value is at the country level, i.e., exploring how CSO involvement in ADB operations in individual countries (and even particular sectors) can improve development outcomes.

b. Lessons Identified and Conclusions (paras. 141–177)

4. The SES rightly recognizes that “CSO involvement in CSP formulation has increased in recent years”, though such involvement is “uneven”. Realizing that CSO involvement in CSP elaboration can be improved and the quality of consultations raised, the NGO and Civil Society Center (NGOC) has offered support to regional departments developing CSPs due for completion in 2007, and will soon organize a staff training on consultation and participation in CSP elaboration. A key reason for improving engagement of CSOs in CSP development is well-stated in para. 146: “ADB has benefited from the knowledge, expertise, and views of CSOs in designing better CSPs.”

5. The SES observes that “systematic capacity assessment of potential CSO partners is underdeveloped, which creates potential implementation risks” (para. 152). Management recognizes that this is an issue of concern and efforts are underway to address it. In particular, the NGOC has just completed a CSO mapping exercise to identify potential partners in water sector projects, and is working closely with the Office of Information Systems and Technology (OIST) to substantially improve accessibility and structuring of information contained in the NGOLink database, which provides staff with details about CSOs.

6. With regard to Implementation Completion Memorandums for JFPR-financed projects, please note that we have recently decided to make these available as new ones are finalized (para. 157).

7. In para. 158, the SES states that “strategies must be developed that strengthen CSO capacities to become more involved in institutional and network development (e.g., regulatory reform, policy development).” We recognize that greater involvement of more capable CSOs in these areas could be useful, and will explore opportunities to develop CSO capacities, while keeping in mind ADB’s resource-constrained environment and core priorities, as well as the potential role of other organizations that undertake CSO capacity building.

8. We appreciate the important role that CSOs play in promoting accountability and transparency in the public sector (paras. 162–168). This is reflected, *inter alia*, in the new pilot technical assistance project providing small grants to CSOs working against corruption in Mongolia, Pakistan, and the Philippines. In addition, Transparency International is an active participant in the ADB-OECD Anticorruption Initiative for Asia-Pacific. The lessons reported in this part of the SES will be considered as ADB acts upon the conclusions stemming from the recent review of the implementation of the Anticorruption and Governance Policies.

9. We fully understand that some ADB member country governments are hesitant to work with CSOs, and have sought to promote government-CSO cooperation through different approaches. These include highlighting examples

of productive government-CSO collaboration in other countries, and bringing together representatives of the public and nonprofit sectors at the same table for consultations, such as on a Regional Cooperation Strategy and Program (in the Greater Mekong Subregion) and on ADB policies (e.g., Disclosure, Water). We are also exploring cooperation with the United Kingdom's Charities Commission, which is helping developing country governments prepare appropriate regulatory regimes for CSOs. In addition, the subject of a CSO's commitment to codes of conduct and accountability charters is increasingly raised in ADB's dialogue with civil society.

10. Management welcomes the study's finding that "formulating strategies for CSO involvement in implementing Gender and Development policies has been effective." ADB has worked extensively with CSOs to promote gender equality, and such collaboration provides an example for ADB's work with CSOs in other thematic areas.

11. We agree that much of the knowledge creation and capture related to ADB's cooperation with CSOs is focused on qualitative rather than quantitative knowledge (para. 172). In the context of limited staff and budgetary resources, we are exploring cost-effective ways of improving collection of the latter to promote better decision making on how and when to involve CSOs in ADB-assisted activities. It should be noted that ADB's annual report of cooperation with CSOs features positive examples of projects with CSO involvement, as does the bimonthly electronic bulletin published by ADB for CSOs, *Partnership Newsletter*. The current upgrading of NGOLink is expected to better integrate headquarters and field office databases of CSOs (paras. 174–175). The overall finding that "ADB's knowledge management systems need to focus more on the outcomes of CSO involvement" is noted (para. 176).

12. Management agrees that knowledge dissemination on CSO involvement to external audiences has improved through the nongovernment web pages of ADB's Internet site (www.adb.org/ngos). These pages are updated more often than the vast majority of other pages on the overall site. One must take care in making judgments about knowledge dissemination on the basis of visitor hits, however. One reason is that many CSO representatives proceed directly to the pages of sectoral, thematic, project, or country-specific interest, rather than to the general NGO page. Over time, these specialized pages have added content of greater interest to, and often directly targeting, CSOs. In addition, ADB's most frequent CSO interlocutors have become increasingly sophisticated on how to efficiently access information about ADB operations. Part of ADB's active CSO outreach strategy has been to raise awareness among CSOs on how to quickly access details of particular interest to them. The widely distributed *Partnership Newsletter* provides web links that lead readers directly to the page of actual interest, rather than via the NGO page.

c. Recommendations (page 50)

13. The SES proposes four major recommendations. While we generally concur with the recommendations, it should be noted that involving CSOs is time and resource intensive, especially for involving local organizations. Many staff missions normally do not have the time to hold meetings at community level. A

substitute is to organize meetings and workshops, but this also takes time and money. Resident Missions can handle such consultations, but again this is resource intensive. Therefore, we should focus on the processes that are sufficiently resourced. Following are our brief responses to the specific recommendations.

14. **Strengthening Quality-At-Entry Processes for CSO Involvement in ADB Operations.** We concur that where projects envision CSO involvement, the project design should allocate sufficient resources to support such involvement. Two RSDD-led initiatives will assist operations departments in identifying potential stakeholder involvement and ascertaining the cost. The first is the newly published *Staff Guide to Consultation and Participation* and accompanying online Toolkit, while the second is a study, to be completed this year, on the costs of using participatory methods in projects.

15. **Enhancing CSO Involvement in CSP Formulation and Reviews.** We note the recommendation that CSP initiating papers incorporate a strategy for involving CSOs in the formulation, implementation, and review of CSPs. We would suggest, however, that such a strategy, if and when applied, should take a broader view and identify how the full range of nongovernment stakeholders—communities, local governments, research institutions, chambers of commerce, etc.—would be consistently involved throughout country programming.

16. **Enhancing CSO Partnership in Thematic and Sectoral Policy Formulation and Implementation.** We will consider ways in which ADB can more actively support the important role of CSOs in combating corruption. The specific focus on working with CSOs on corruption issues is fine, but it is not clear why this particular issue has been singled out.

17. **Strengthening ADB Knowledge Management Systems for CSO Involvement.** Proposed criteria and categories for good practice of CSO involvement will be taken into consideration in preparing the forthcoming staff resource book on working with CSOs. The ongoing improvement of NGOLink will seek to draw upon CSO data compiled and maintained by Resident Missions. The need for more selective approach is proven (para. 58), in which ADB is suggested to work selectively with proven CSOs who are capable of adding value. There is a need to strengthen monitoring of the performance of CSO partners and disseminating the information.