

OPERATIONS MANUAL BANK POLICIES (BP)

These policies were prepared for use by ADB staff and are not necessarily a complete treatment of the subject.

PROMOTION OF COOPERATION WITH NONGOVERNMENT ORGANIZATIONS

A. Introduction

1. This OM section describes ADB's policies associated with its cooperation with nongovernment organizations (NGOs). The section considers the nature of ADB's cooperation with NGOs at the institutional, country, and project/program levels in relation to the achievement of ADB's strategic objectives and in terms of ADB support for NGO initiatives. Cooperation between ADB and nongovernment organizations is consistent with ADB's role and functions as set out in Article 2(i) and (v) of the *Agreement Establishing the Asian Development Bank* (the Charter).

B. Definitions and Typologies

2. The term "nongovernment organization" refers generically to organizations (i) not based in government, and (ii) not created to earn profit.

3. ADB is concerned primarily with developmental NGOs, which can be regarded as private organizations entirely or largely independent of government; which are not created for financial or material gain; and which address concerns such as social and humanitarian issues of development, individual and community welfare and well-being, disadvantage, poverty, and environmental and natural resources protection, management, and improvement. ADB's interest is directed primarily toward organizations that do not exist to serve their members' self-interests, ADB still must be concerned with organizations such as self-help, and people's and community-based organizations formed by or around disadvantaged persons, groups, and communities. Terms parallel to developmental NGO include voluntary organization, private voluntary organization, or private voluntary development organization; people's organization; community organization or community-based organization, community group or community association; grassroots organization; intermediary organization; and public interest group.

4. A wide range of organizations can be regarded as developmental NGOs, with significant variations according to philosophy, purpose, clientele, expertise, program approach, and size and scope of operations. Significant functional distinctions also exist between operational and advocacy NGOs. This distinction is important with regard to the kind of interaction ADB has with individual NGOs, such as operational cooperation and collaboration versus policy dialogue. ADB also cooperates with a continuum of NGOs from the local level, to the national level, and to the regional and international levels.

C. The Policy

5. ADB's 1999 Poverty Reduction Strategy clearly articulates that poverty reduction is ADB's overarching goal.¹ ADB's framework for poverty reduction is based on three pillars:

- (i) pro-poor, sustainable economic growth;
- (ii) social development (including human capital development, social capital development, gender and development, and social protection); and
- (iii) good governance.

6. As these objectives are at the center of the agendas and activities of NGOs involved in development, ADB recognizes that NGO activity is directly relevant to ADB's operations. ADB also recognizes that NGOs are significant actors in development processes at both the advocacy and operations levels. Globally, civil society is demanding a greater voice and role in decision-making and in governance issues that affect people, with NGOs representing different segments of civil society. In this context, NGOs form an important ADB stakeholder group.

7. ADB pursues an expanded program of cooperation with NGOs in its member countries with a view to strengthening the effectiveness, sustainability, and quality of the development services ADB provides. The objective of ADB's cooperation with NGOs is, where appropriate, to integrate NGO experience, knowledge, and expertise into ADB operations, such that the development efforts ADB supports will more effectively address the issues and priorities reflected in ADB's development agenda.

D. Scope of the Policy

8. ADB seeks cooperation with NGOs that is proactively, responsively, and productively mainstreamed within its operations. At the same time, however, the concerns and priorities of governments must be acknowledged. The fundamental relationship between ADB and a government and the sovereignty of governments continue to be recognized. The ability of ADB to work with governments and execute its development mandate remains a priority. At the country level, cooperation with NGOs is a dynamic process that encourages constructive and mutually beneficial relationships involving ADB, governments, and NGOs.

9. Within the broad objective of expanding cooperation with NGOs, ADB recognizes that an important characteristic of the NGO sector is its diversity. NGO communities display significant differences country by country, reflecting country-specific factors that affect the structure and composition of NGO communities and the roles NGOs play in national development. Because of the diversity the NGO sector displays, operationally and in the context of individual countries, it will not be appropriate, and perhaps counterproductive, for ADB to approach cooperation with NGOs through generalizations or with a single view or strategy. Given such diversity, ADB approaches cooperation

¹ ADB. 1999. *Fighting Poverty in Asia and the Pacific: The Poverty Reduction Strategy*, November. Manila. p. 2.

with NGOs flexibly, through a range of relationships appropriate to different contexts, rather than through a single relationship, mechanism, or model that is all encompassing.

Basis: This OM section is based on:

ADB. 1999. Doc. R179-99, *Fighting Poverty in Asia and the Pacific: The Poverty Reduction Strategy of the Asian Development Bank*, 19 October. Manila.

ADB. 1998. Doc. R54-98, Corrigendum 1, *Cooperation between the Asian Development Bank and Nongovernment Organizations*, 06 April. Manila.

ADB. 1998. Doc. R54-98, *Cooperation between the Asian Development Bank and Nongovernment Organizations*, 27 March. Manila.

This OM section is to be read with OM Sections E4/OP.

For other background information and references, see:

OM Sections A2 (Country Strategy and Program) and C3 (Incorporation of Social Dimension).

Compliance: This OM section is subject to compliance review.

For inquiries: Questions may be directed to the Head, NGO Center, Regional and Sustainable Development Department.

OPERATIONS MANUAL OPERATIONAL PROCEDURES (OP)

These procedures were prepared for use by ADB staff and are not necessarily a complete treatment of the subject.

PROMOTION OF COOPERATION WITH NONGOVERNMENT ORGANIZATIONS

A. Introduction

1. ADB seeks to cooperate with nongovernment organizations (NGOs) that have established capacity and that are credible, accountable, and transparent and with which cooperation is appropriate and mutually beneficial. Such NGOs must be competent and have substantial knowledge in their areas of focus. To support effective cooperation with the NGOs, ADB maintains and strengthens processes for ADB-NGO consultation and dialogue. As appropriate, ADB seeks to identify mechanisms to expand and strengthen interaction with NGOs in loan and technical assistance (TA) activities, in country programming and country-level work, and in policy development.

2. Mechanisms for cooperation with NGOs vary according to the type of NGO, the issue or interest in question, the specific kind of cooperation being considered, and the specific circumstances in each case. Cooperation with NGOs is affected especially by country-specific circumstances. Cooperation with NGOs in ADB's operations proceeds as a part of or in parallel with other operational considerations, including the emerging process approach of ADB's operations. In any case, NGO input into ADB operations needs to be considered carefully, as is input from any other source.

B. Application of the Policy

1. Institutional/Policy Level Cooperation

3. Mechanisms for consultation and dialogue with NGOs are maintained and strengthened. At the same time, ADB seeks to establish a regular, institutionalized program of consultation and dialogue with NGOs. Cooperation with NGOs needs to be conducted ADB-wide. Consultation meetings are held with NGOs at the ADB headquarters, regional, sub-regional, and country or resident mission levels to address general issues as well as specific policy and project concerns as they arise. ADB also considers and responds to NGO external inquiries, public complaints, or other relevant issues addressed to ADB as a whole either individually, or by means of generic responses sent to NGO groups and/or posted on relevant ADB web sites.

4. In its operations, ADB recognizes institutional development and capacity-building support for the NGO sector as a development initiative. ADB thus may provide necessary and appropriate institutional and capacity-building support to NGOs, particularly at the local and national levels. Similarly, ADB may provide necessary and appropriate institutional development and capacity-building support to DMC governments, toward the creation of an environment that fosters government-NGO relations and supports NGO contributions to the development processes. To facilitate closer operational relationships with NGOs, ADB continues to strengthen its internal

capacity for NGO cooperation, through staff training, skills development activities, and other specific activities.

2. Country-Level Cooperation

5. In programming and country level work, it is important that the interests of the governments and the fundamental relationship between ADB and governments be kept in view. While benefits in involving NGOs in programming and country level work may be apparent, such involvement must be consistent with the rights and responsibilities of governments in identifying and pursuing national policies and priorities.

6. As appropriate and with government concurrence, NGOs can complement existing processes and serve as additional sources of information and expertise. In addition to their role in the delivery of development services, NGOs can play a role in reflecting, explaining, and advancing the views, concerns, and needs of the groups and communities they represent.

7. In some countries, there also may be scope for NGO participation in country-level economic, sector, and thematic work, particularly in the social and environmental sectors. Even when not formally involved as consultants or researchers, NGO consultative or advisory input can be important, particularly in accessing the voices and incorporating the interests of target or affected groups.

8. Country-level issues or concerns raised by NGOs need to be considered and responded to in a timely fashion.

3. Project Level Cooperation

9. Consultation with NGOs has increasingly become a standard part of ADB project identification and design activities. Either as sources of information, partners, or project consultants, NGOs can provide alternative perspectives on development questions; new views on the needs, desires, and perspectives of intended beneficiary communities; and input on implementation modalities for ADB-funded loan and TA activities.

10. During project or TA implementation, NGOs with sufficient capacity may be engaged, where appropriate, and subject to government concurrence, as executing or implementing agencies, or can be contracted to deliver specific project components or services, including community mobilization, training, or the delivery of project services to selected communities or populations. NGOs may also have a role in monitoring program/project and TA implementation, and in helping to address issues of project sustainability, such as ongoing operation and maintenance of community infrastructure. In the case of private sector projects, NGO engagement is subject to the concurrence of project sponsors.

11. NGO knowledge and perspectives similarly can be applied to project benefit or impact monitoring and evaluation. Where appropriate, ADB review, monitoring, and evaluation missions may contact NGOs to gain their views and gather additional information.

12. ADB considers and responds to project-specific issues raised independently by NGOs, including those raised on behalf of project-affected groups.

C. Overall Responsibility

13. ADB's overall relationship with NGOs is monitored and coordinated by the Regional and Sustainable Development Department (RSDD) through the NGO Center. The responsibility for implementing ADB's relationship with NGOs at the strategic and regional level (i.e., across two or more subregions) rests with RSDD, with the NGO Center as its focal point. The NGO Center facilitates the work of regional departments and other ADB offices in their efforts to strengthen cooperation with NGOs. Together with the Human Resources Division, Budget, Personnel and Management Systems Department; the NGO Center designs and delivers capacity-building programs.

14. ADB's relationship with NGOs at the subregional, country, and project levels, including correspondence, is the responsibility of the regional departments, with support from the NGO Center, and from the representative offices as appropriate. The views of the NGO Center need to be sought on the involvement of NGOs in programming and project activities and, along with those of the Office of External Relations, in preparing formal responses to country- and project-specific issues raised by NGOs.

15. Involvement of NGOs in ADB operations is necessarily within the context of ADB's existing policies and procedures and related ADB business practices.

Basis: This OM section is based on OM Section E4/BP and the documents cited therein.

Compliance: This OM section is subject to compliance review.

For inquiries: Questions may be directed to the Head, NGO Center, Regional and Sustainable Development Department.