

## Table of Contents

<b>A.</b>	<b>Introduction</b>	1
<b>B.</b>	<b>NGO Coordination</b>	1
<b>C.</b>	<b>1999 Bank Activities Involving NGOs</b>	2
	1. NGOs in Loan Projects	2
	2. NGOs in Technical Assistance Projects	4
	3. NGOs in Country Programming	3
	4. NGOs in Policy Development	6
	5. Consultation with NGOs	7
	6. Resident Missions/Representative Offices and NGOs	8
	7. NGOs and Information Activities	9
	8. Inspection Function	9
	9. Interagency Cooperation	10
	10. NGOs and Regional Technical Assistance	10
	RETA 5832: Role of NGOs in ADB-Assisted Projects	10
	RETA 5873: Capacity Building Support for NGO Financial Resource Mobilization	11
	RETA 5884: A Survey of NGO Capacity Building Needs in Pacific DMCs	11
	RETA 5888: Third ADB-NGO Consultative Meeting on Environment and Sustainable Development	11
	RETA 5889: Gender and Development Initiatives	11
	RETA 5894: Facilitating Capacity Building and Participatory Activities II	12
<b>D.</b>	<b>Directions in Bank-NGO Cooperation</b>	12
<b>Appendixes</b>		
	Appendix 1. 1999 Projects Involving NGOs	13
	Appendix 2. Summary of Projects Involving NGOs	14
	Appendix 3. Special Evaluation Study of the Role of NGOs In Bank-assisted Projects	22

## 1999 NGO REPORT

### A. Introduction

1. The ADB's program of cooperation with nongovernment organizations (NGOs) is governed by the policy *Cooperation Between the Asian Development ADB and Nongovernment Organizations*, approved in April 1998. The policy commits the ADB to an expanded program of cooperation with NGOs with a view to strengthening the effectiveness, sustainability, and quality of development services the ADB provides. Through the policy, the ADB works to integrate NGO experience, knowledge and expertise in ADB operations, such that the development efforts the ADB supports will more effectively address the issues and priorities reflected in the ADB's development agenda. The ADB's policy recognizes NGOs as important and increasingly significant actors in the processes of development.

2. The policy commits the ADB to expanded cooperation with NGOs in its entire range of operations. This includes greater NGO consultation and involvement in project and technical assistance activities; in country programming and other country-level activities; and in ADB internal policy development activities. In country-specific project and technical assistance as well as programming activities, the ADB would continue to recognize the fundamental relationship between the ADB and government, but at the same time would work to establish and strengthen tripartite relationships involving governments, the ADB, and NGOs.

### B. NGO Coordination

3. The Office of Environment and Social Development (OESD) holds primary responsibility for the development, implementation, and evaluation of policy and practice related to cooperation with NGOs, and for execution of many aspects of the ADB's operations involving the ADB's program of cooperation with NGOs. OESD provides guidance, support, and assistance to other departments and offices of the ADB in activities related to cooperation with NGOs and incorporation of NGO initiatives in ADB operations, and in the maintenance and strengthening of such initiatives. OESD is the ADB's focal point for liaison with NGOs and serves as a resource center for cooperation with NGOs. OESD takes a lead role in ADB activities related to the development and strengthening of internal capacity for effective cooperation with NGOs.

4. During 1999, OESD continued to provide general support, advice, and guidance on a variety of aspects of NGO cooperation. OESD worked closely with Projects and Programs Departments in a number of NGO-specific initiatives, including identifying and executing processes related to NGO consultation, cooperation, and participation. OESD continued to respond to an increasing number and broadening range of NGO-related requests for information from both within and outside the ADB. Overall, OESD worked to continue to expand the ADB's relationships with NGOs and modalities for cooperation with NGOs. A number of new initiatives in NGO cooperation were identified, such as provision of capacity building support for NGOs, development of new ADB-NGO consultation mechanisms, consideration of a NGO funding mechanism, efforts to identify new sources of financing for NGO-related projects, and expanded cooperation with other development agencies.

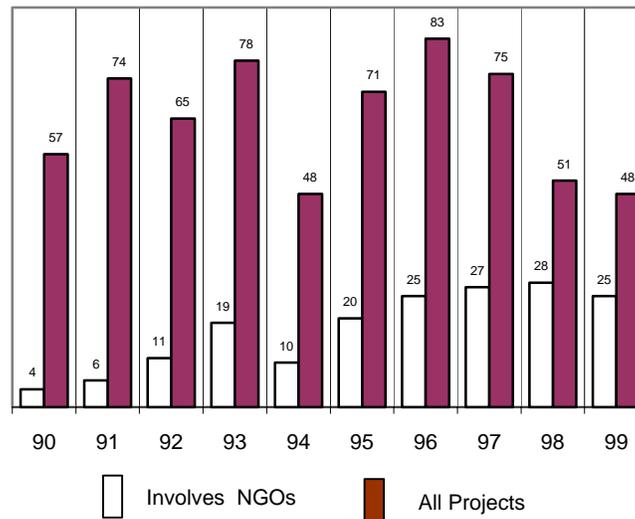
5. OESD continued to hold responsibility for NGO-related aspects of the ADB's Annual Meeting, as part of the Annual Meeting Secretariat.

## C. 1999 ADB Activities Involving NGOs

### 1. NGOs in Loan Projects

6. Cooperation with NGOs is expanding steadily in ADB project operations. In 1999, 25 public sector projects, or 52 percent of the total 48 public sector projects approved in 1999, involved NGOs in some significant way (Figure 1). Appendixes 1 and 2 provide project-specific information on the role of NGOs in 1999 projects.

**Figure 1. Projects involving NGOs, by number of projects, 1990-1998**



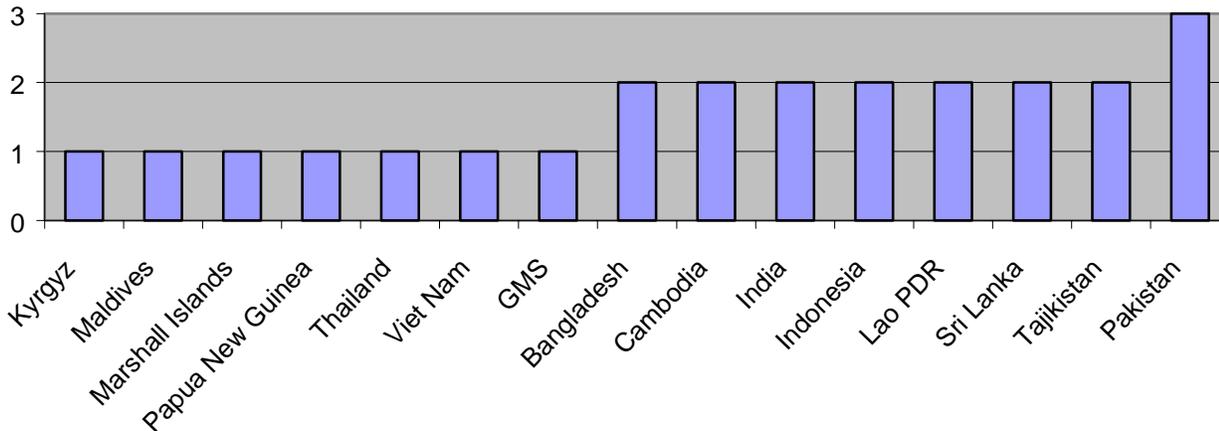
7. The level of NGO participation in 1999 project activities is consistent with the level of NGO involvement of the past several years, and maintains a trend of active and expanding cooperation with NGOs in project work. Since 1990, nearly one-third of all ADB projects have involved NGOs in some capacity. From ADB's start in 1967 to 1989, only 17 of all projects approved involved NGOs directly.

8. In 1999, NGO involvement in project activities was most significant in a project implementation role, in 22 of the 25 projects involving NGOs. NGOs will be involved most often in roles such as organizing and promoting community awareness and participation, providing health service and vocational training, and serving as microfinance conduits. Twenty projects involved NGOs during project design activities, in roles such as organizing and executing studies during project preparatory technical assistance or in facilitating public participation activities during project appraisal. NGOs most commonly involved in project activities were national NGOs, in 22 projects. In 10 projects, international NGOs were involved, in countries where the local NGO sector is emerging or is still developing capacity, such as in Cambodia, Lao PDR, Papua New Guinea, and Tajikistan.

9. In general, NGO collaboration in ADB projects is most active in countries where the NGO sector is well developed and effective, such as Bangladesh, Indonesia, and the Philippines. In 1999, however, NGO cooperation in project activities was more strongly influenced by the nature of ADB's country assistance programs. In the Philippines and Indonesia, for example, where ADB historically has had about four projects each year involving

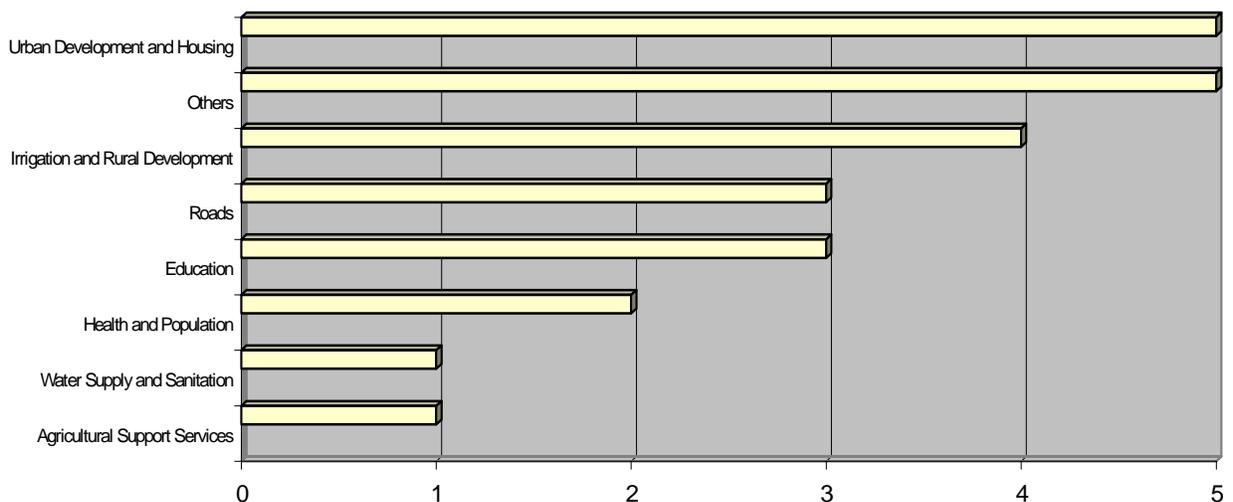
NGOs, because of project design and sectors being addressed, only two projects involved NGOs in Indonesia, and none in the Philippines. At the same time, ADB's cooperation with NGOs is expanding in other countries, where NGOs have not previously been involved in ADB operations, such as Pakistan, Tajikistan, and Cambodia (Figure 2).

**Figure 2. Number of Projects Involving NGOs, by country, 1999**



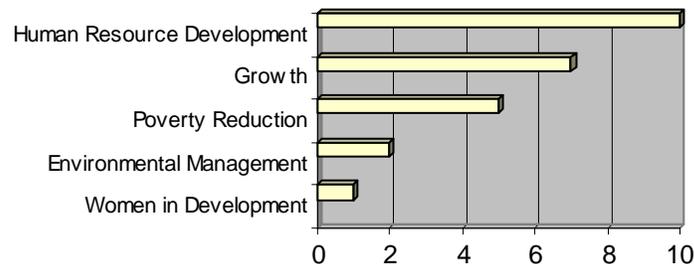
10. By sector (Figure 3), NGO involvement in projects most often centered on social infrastructure – urban development and housing, education, health and population, and water supply and sanitation. NGO involvement was very significant in multiobjective projects, such as program loans. An emerging role for NGOs in ADB multisector operations is involvement in social infrastructure development and rehabilitation aimed at post-conflict or post-disaster

**Figure 3. Number of projects involving NGOs, by subsector, 1999**



rehabilitation. NGOs also are being involved increasingly in addressing social and community welfare aspects that emerge from economic transition processes or processes related to sectoral reform. By project objective, NGO involvement was greatest in human development, though there was significant NGO involvement in projects addressing economic growth directly. There also was significant NGO involvement in projects addressing poverty reduction (Figure 4).

**Figure 4. Number of projects involving NGOs, by primary objective, 1999**



## 2. NGOs in Technical Assistance Projects

11. In its technical assistance activities, as in project activities, the ADB recognizes the experience, capacity, and local knowledge of NGOs. As such, NGO involvement in technical assistance operations reflects the same pattern of expanding cooperation and increasingly broad and more complex roles as in project activities. This applies to NGO involvement particularly in technical assistance directed toward project design and project preparation, where NGOs can facilitate both informal consultation with persons and communities that projects address as well as formal consultation events, such as stakeholder meetings or beneficiary workshops. NGOs often can help identify issues and concerns that should be addressed in project concepts and project design, to ensure effectiveness and sustainability of projects, as well as develop practical, effective, and appropriate approaches to address issues and concerns that arise. In advisory technical assistance, NGOs also increasingly are called upon to help identify issues and matters that the technical assistance must address to be effective and sustainable. In some cases, NGOs have been engaged to implement technical assistance projects. During 1999, several regional technical assistance projects directly addressing NGO capacity building concerns were approved (see Section 10 below).

## 3. NGOs in Country Programming

12. Involving NGOs in country programming is an expanding priority of ADB, with country programming and country portfolio review missions increasingly seeking out consultation with NGOs. There is increasing emphasis on NGO involvement in other country programming-related processes.

13. Expanded or new elements of NGO involvement in country programming processes were realized in several countries during 1999:

14. **Bangladesh.** The ADB's program in Bangladesh will feature greater NGO participation in the agriculture sector, creating an enabling environment and exploring options and modalities for the provision of financial services to the farming and agribusiness community. NGOs also are envisaged as playing expanded roles in the education and health sectors as well as in promoting good governance. In the microcredit subsector, assistance will be provided to NGOs involved in microcredit to assist in their converting to formal financial institutions. ADB noted NGO concerns related to environmental issues in several projects, most notably the Khulna Jessore Drainage Rehabilitation Project. In the Khulna Jessore project, ADB entered into a consultative process with NGOs concerns to address the issues identified. The current Country Operating Strategy (COS) for Bangladesh notes the limited present role of NGOs as subcontractors in ADB projects and the need to come up with a strategy for their involvement on a broader basis, such as through regular consultations addressing general and specific sector and project issues, especially through the Bangladesh Resident Mission.
15. **Cambodia.** The country programming exercise for Cambodia moved to more actively involve NGOs in the country programming process. Discussions with NGOs during the country programming exercise focused on the areas of tourism and health, including HIV/AIDS. The current COS notes that about 400 NGOs are active in the areas of agricultural research and extension, mine clearance, education and health. During 1999, ADB engaged in extensive discussions with the NGO sector with regard to forestry sector operations in Cambodia.
16. **India.** In the course of its work, the 1999 country programming mission for India held an expanded NGO consultation meeting at India Resident Mission. The meeting focused on urban development and urban environment improvement, and the role of NGOs in the preparation and implementation of ADB projects in this subsector. Additional consultation meetings were held in West Bengal and Gujarat. The meetings provided a useful way of exchanging experience and an opportunity to examine ways in which the partnership between ADB and NGOs can be strengthened. NGO representatives welcomed the meetings, though some NGOs stressed the need for more regular consultation at the policy and project levels. It was also stressed that participation by stakeholders, including NGOs, will be effective if participatory mechanisms are in place from the start of project processing and not simply added on during implementation.
17. **Nepal.** The country programming mission met with NGOs. It was noted that NGOs' strengths lie in forestry and natural resources management, urban development, and health. ADB operations in Nepal are examining an expanding role for NGOs in project implementation and the delivery of project-related services, though the need for NGO capacity building also is noted.
18. **Pakistan.** The country programming mission met with NGOs and discussed scope for capacity building support in improving Government-NGO dialogue and partnership. In Pakistan, ADB is leading a donor community process focusing on capacity building for the NGO sector. Advisory technical assistance focusing on capacity building to strengthen Government-NGO cooperation in the area of social welfare is being developed.
19. **Samoa.** As a result of the country programming mission meeting with NGOs, an NGO called Women in Business will work with Ministry of Women Affairs in developing a small business project for women entrepreneurs.
20. **Sri Lanka.** NGOs in the country are active in agriculture, health, social welfare, income generation, relief and rehabilitation, and training. Dialogue between NGOs and the country programming mission resulted in a plan for the Sri Lanka Resident Mission to establish an

NGO-ADB consultative group to facilitate regular consultations on matters concerning ADB loan and TA operations.

21. **Tajikistan.** The first country programming mission held separate meetings with international NGOs, specifically to discuss cooperation in aid coordination, agriculture and natural resources rehabilitation.

22. **Tuvalu.** The current Country Assistance Plan for Tuvalu notes a significant role for NGOs in promoting good governance and sound management, as exemplified by NGO participation in drawing up the National Development Strategy.

23. **Viet Nam.** In addition to consultations during country programming, NGOs were engaged in consultations focusing on poverty reduction. As well, a joint World Bank-ADB consultation meeting was held with NGO representative to discuss the role of the two banks in development efforts in Viet Nam.

24. NGOs also were in 1999 country programming exercises in Bhutan, Micronesia, Cook Islands, Indonesia, Lao PDR, Marshall Islands, and Solomon Islands, as well as in countries where NGO consultation in country programming has long been established, such as in Indonesia and the Philippines.

#### 4. NGOs in Policy Development

25. **Poverty Reduction.** The ADB's policy *Fighting Poverty in Asia and the Pacific: The Poverty Reduction Strategy of the Asian Development Bank* was adopted in 1999. The Poverty Reduction Strategy specifically recognizes the role of NGOs and civil society organizations in poverty reduction efforts, both in terms of the contribution of NGOs and civil society in poverty reduction, and the objective of working with and supporting NGOs and civil society organizations through new modalities and approaches to poverty reduction. The ADB now is working to identify specific strategy through which the provisions of the NGO policy can be directed or redirected toward poverty reduction initiatives.

26. An extensive process of NGO consultations in the development of the poverty strategy that started in 1998 concluded in 1999. Covering nine countries representing three geographical regions ADB works in, the consultations were conducted to bring key stakeholders together in an interactive situation. The major focus of the consultations was lessons learned from previous poverty reduction efforts and how ADB's new poverty reduction strategy could best serve the needs of each country. In addition to NGOs, the consultations involved government officials, development agencies, academics, and donors to development programs. The publication *Reducing Poverty: Major Findings and Implications* was produced in 1999 as a report on the consultation process.

27. **External Relations.** In 1999, the Office of External Relations commissioned a review of ADB's external relations strategy, resulting in the report *Review of the ADB's External Relations Strategy*. The review was undertaken in response to a Management desire to raise ADB's international public profile and address measures that would be necessary to do this. Among a range of other matters, the review addressed ADB's external relations strategies in dealing with NGOs. The review concluded that such partnerships must be developed as a matter of external relations priority. Following on to the recommendations of the review, ADB will be strengthening aspects of its external relations initiatives related to NGOs.

28. **Operations Evaluation.** During 1999, the Operations Evaluation Office undertook a Special Evaluation Study to examine the role of NGOs in ADB-assisted projects. The purpose of the study was to review the effectiveness of involving NGOs in ADB project and technical assistance operations, to determine whether such involvement is effective. The study assessed progress made in integrating NGO working experiences in ADB operations, provided recommendations as to good practice in future cooperation, and made operations-related recommendations to help improve the effectiveness of ADB-NGO cooperation in project activities.

29. The study generally concluded that there is significant evidence of increased cooperation, and that such cooperation leads to improved project effectiveness. Recommendations emerging from the study suggest that NGO involvement in ADB project operations could be made more effective through strengthening of modalities and processes related to NGO cooperation; that assistance to governments to strengthen modalities for NGO cooperation would be beneficial; and that a strengthened environment within ADB for NGO cooperation would increase the effectiveness of NGO cooperation. A more complete summary of the study is reflected in Appendix 3.

30. **Other Policies.** Other policies and strategies approved in 1999 that involved NGO consultation include ADB's policy for the health sector and the ADB's urban development strategy. Policy development work in 1999 for the following papers included NGO consultation: review of inspection function, review of ADB's business practices, private sector development, social protection policy, road funds, education, nutrition, and microfinance.

## 5. Consultation with NGOs

31. **Thirty-Second Annual Meeting.** The 1999 Annual Meeting saw the largest NGO participation of any Annual Meeting to date. A total of 103 NGOs were accredited to the 1999 Annual Meeting, compared with 46 for 1998, and 66 for 1997. The increased number of NGOs accredited in a significant part reflects the 1999 Annual Meeting's Headquarters venue. NGOs attending the Annual Meeting reflected broad representation of NGOs with an interest in ADB operations. As in previous Annual Meetings, the 1999 Annual Meeting was an important opportunity for consultation between ADB and NGOs on a range of issues and concerns.

32. During the Annual Meeting, an Open Forum on cooperation between the ADB and NGOs was held. Adopting a format and structure that would support the widest range of discussion of topics of mutual interest, and lasting one-half day, the Open Forum was an important opportunity for dialogue and exchange between the ADB and NGOs as well as for strengthening the ongoing relationship. ADB staff, NGO representatives and other interested Annual Meeting attendees participated in the Forum. The structure of the Forum included both small-group discussion of specific issues related to ADB-NGO cooperation, as well as open plenary discussion of other issues that emerged. The following topics were identified as priority topics in ADB-NGO cooperation:

- Capacity building support the ADB can provide NGOs
- How the ADB can better work with NGOs in its operations
- Adequacy of the ADB's inspection function
- How the ADB can work with NGOs to foster public participation in its operations
- The respective roles and responsibilities of the ADB and NGOs in development
- How the ADB can work with NGOs in responding to the Asian financial crisis

33. The Open Forum was considered a productive approach to ADB-NGO dialogue, and it was decided that the open forum approach would be repeated in the 2000 Annual Meeting.

34. **Operations-Related Consultation.** During 1999, ADB worked to broaden its efforts to establish effective consultation and dialogue with NGOs at the country level. As noted above, during 1999, an increased number of country programming missions engaged in consultations with NGOs in the course of country programming missions or expanded the scope of previous consultations. Project and technical assistance processing and implementation missions similarly are expanding the scope of their consultations with NGOs, through both formal and informal consultations in the field. As opportunities or needs emerge, periodic NGO consultations increasingly are being taken up at Headquarters, as well as through Resident Missions and Representative Offices. A formal process of consultation with NGOs in Japan has been established; during 1999, consultations took place in Tokyo and Fukuoka.

35. A significant aspect of ADB's consultation with NGOs is consultation arranged at the request of NGOs to address specific project or policy issues. During 1999, such ad hoc consultations addressed a range of issues. It has become the practice of ADB that such requests for consultation be accommodated whenever possible.

36. As a part of its operations, ADB is committed to mainstreaming participatory development. Participatory development strives to involve all who will be affected by an action, whether positively or negatively, as well as those who may have an indirect interest in an action. In pursuing participatory development, ADB works closely with NGOs, whether in a project activity, in country programming processes, or in ADB's internal policy development. It is ADB's view that NGOs are important actors in development processes and possess knowledge and expertise that is valuable and that represents important points of view that must be considered.

## **6. Resident Missions/Representative Offices and NGOs**

37. During 1999, ADB undertook a review of its policy on resident missions. The purpose of the review was to examine the role and responsibilities of Resident Missions and propose a policy framework to enable Resident Missions to contribute more effectively to ADB support for DMCs. The review noted that ADB is undergoing a major change in its strategic orientation that presents new opportunities and challenges for all of ADB; that client orientation and involvement are essential in all ADB's operations achieving impact; and that overall, the role and responsibilities of Resident Missions are changing.

38. Among other things, the review noted that a role for Resident Missions that has emerged is coordination with NGOs at the country level and interaction with civil society. The review noted that stakeholder involvement, local participation, and ownership of development strategies and specific interventions are essential to development of successful operations, and that such interaction requires knowledge of and long-term engagement with civil society.

39. The views of the review on Resident Missions are consistent with ADB's policy on cooperation with NGOs. In the NGO policy, Resident Missions are viewed as ADB's representatives at the country level, and that though closer country knowledge, Resident Missions are more familiar with local circumstances and should have more direct contact with NGOs and other civil society organizations. The policy on NGO cooperation cites resident missions as country-level liaison and focal points for NGO cooperation, and mandates that through various modalities have a responsibility for maintaining and strengthening NGO contact.

The policy on cooperation with NGOs mandates that NGO consultation and dialogue through Resident Missions be pursued and strengthened.

## **7. NGOs and Information Activities**

40. During 1999, ADB continued to pursue the strengthening of its external relations and information dissemination activities, especially with respect to NGOs. In this regard, OESD and the Office of External Relations (OER) maintained close cooperation.

41. Among other initiatives, OER maintains a process of informing NGOs through regular mailings of new ADB documents that are available and of other information-related activities. NGOs by far are the largest audience for ADB documents. Over 2,500 NGO requests for documents were processed during the year. ADB continued its practice of providing NGOs with documents free of charge.

42. During 1999, OER expanded its depository library program, and undertook a number of spot checks to measure the effectiveness of the depository library program. As NGOs are heavy users of depository libraries, OER has asked NGOs to help in monitoring the depository library program, and report any difficulties or deficiencies that are apparent.

## **8. Inspection Function**

43. The Inspection Function provides a formal channel through which groups and communities in DMCs can raise concerns about ADB's involvement in the development initiatives that it supports. Under the Inspection Function, if individuals or local groups believe they are being directly and materially harmed by an ADB intervention because ADB did not follow its operational policies and procedures, the individuals or groups can request an independent review of the intervention.

44. Since the Inspection Policy became effective in October 1996, two requests for inspection have been received, both from NGOs, both related to the Korangi Wastewater Management Project in Pakistan (since cancelled). The first request was received in 1997, and the second in 1999. The 1997 request was declined on the basis that the party submitting the request for inspection was not a party directly affected by the project. The request received in 1999 also was declined, on the basis that the request did not establish that any of ADB's operational policies or procedures were breached.

45. A review of the Inspection Function was processed during 1999. A working paper was discussed by the Board of Directors in September 1999, and a final paper was prepared for Board consideration in 2000. The views of NGOs were solicited in the course of the review, and comments received were considered in the development of the working paper.

## **9. Interagency Cooperation**

46. ADB maintains an active program of cooperation with other multilateral and bilateral development agencies. Such cooperation ranges from the maintenance of an ongoing process of communication and information exchange, to active cooperation and collaboration in various development initiatives. Such cooperation with other development agencies allows ADB to draw on the experience and lessons learned of other agencies, while also contributing ADB's experience and knowledge.

47. During 1999, ADB continued to be involved in the International Working Group on NGO Capacity Building (IWGCB). Established in 1997, the IWGCB is a cooperative group of NGOs, private sector donors, bilateral donors, and international organizations. IWGCB is bringing together both the providers and users of assistance for NGO capacity building. Through various initiatives, IWGCB is working to identify, prioritize, and address issues related to NGO capacity building and develop a coordinated mechanism for strengthening NGO capacity.

48. ADB continue to be involved in the Consultative Group to Assist the Poorest (CGAP), an international grouping of donors, practitioners, and NGOs working to develop sustainable microfinance institutions.

49. During 1999, ADB actively pursued cooperation with other development institutions in specific NGO capacity building initiatives. A regional technical assistance project addressing capacity building for NGO financial resource mobilization approved in 1999 is being implemented cooperatively with The Asia Foundation, a U.S.A.-based NGO active in NGO capacity building. This is the first instance of ADB cooperating with an NGO on a full-partner basis.

50. Also during 1999 is a regional technical assistance project addressing NGO capacity building in Pacific DMCs. This technical assistance will be implemented in cooperation with a number of other donors, including the Australian Agency for International Development, New Zealand Overseas Development Assistance, and the United Nations Development Programme.

51. A regional technical assistance project addressing consultation with NGOs in environment and sustainable development will be implemented in cooperation with the Economic and Social Commission for Asia and the Pacific. This project will support consultation initiatives with NGOs in Asia and the Pacific.

## **10. NGOs and Regional Technical Assistance**

52. During 1999 ADB approved several technical assistance projects directly addressing NGO matters.

### **RETA 5832: Role of NGOs in ADB-Assisted Projects**

53. This technical assistance supported an Operations Evaluation Office special evaluation study of NGOs in project activities undertaken in 1999. The study reviewed the ADB's collective experience with NGOs, and assessed the progress made in integrating NGO experience, knowledge and expertise in ADB operations, and to provide feedback as to good practice for future cooperation with NGOs (see Appendix 3).

### **RETA 5873: Capacity Building Support for NGO Financial Resource Mobilization**

54. A critical factor in NGO operations is financial sustainability. NGOs rely on uncertain funding such as grants, contributions, government contracts and official assistance. Such funding is increasingly becoming scarce; the current regional financial situation and declining level of official assistance are exacerbating the uncertainty of funding. This technical assistance project approved in 1999 will help develop NGO capacity to identify and access traditional as well as new resources of funding, and manage these resources. Country-specific training courses will be developed under the TA. The project will be cofinanced and implemented in cooperation with The Asia Foundation, an international NGO engaged in NGO capacity building in Asia.

### **RETA 5884: A Survey of NGO Capacity Building Needs in Pacific DMCs**

55. The objective of the TA is to execute a survey of capacity building needs for NGOs in Pacific DMCs. The survey will (i) identify priority capacity building needs of Pacific NGOs in the context of emerging developmental circumstances in Pacific countries, especially with regard to strengthening the role of NGOs in poverty reduction efforts, and (ii) identify specific capacity building initiatives that could in the future be taken up to satisfy needs identified. In addition to surveying NGO capacity building needs, the TA will work to establish donor coordination and cooperation in Pacific NGO capacity building. This technical assistance will be implemented in cooperation with several other donors active in NGO capacity building in the Pacific.

### **RETA 5888: Third ADB-NGO Consultative Meeting on Environment and Sustainable Development**

56. The TA will establish an institutionalized framework for consultation with environmental NGOs on issues related to environmental protection and sustainable development, and poverty reduction through environmental sustainability. The TA will pursue consultation with environmental NGOs as a part of mainstreaming NGO consultations in ADB operations. Consultations under the TA will address current priority issues in environment and sustainable development, such as poverty reduction through environmental sustainability, as well as ADB's operational experience in cooperation and collaboration with governments and NGOs in environment-related activities. Through consultations, the TA will work to identify a priority action plan with regard to environment and sustainable development as well as to identify new modalities for cooperation involving ADB, NGOs, and governments. The plan of action and new modalities identified would be applied to ADB's operations as well as to be disseminated publicly as an information resource. This technical assistance will be implemented in cooperation with the Economic and Social Commission for Asia and the Pacific.

### **RETA 5889: Gender and Development Initiatives**

57. The TA includes a funding facility to support small and innovative initiatives of women's NGOs that have potential for scaling-up or replication in ADB-financed projects. Priority will be given to those NGO projects that have either direct or indirect operational relevance or that directly addresses the 12 critical areas of concern identified in the Beijing Platform of Action. The types of activities that could qualify for financing include awareness raising, advocacy, strengthening linkages between governments and women's groups, small income-generating projects, information and education campaigns, training and capacity building, mobilizing women for participation in decision-making or involvement in larger projects, legal literacy programs, action research, and media campaigns.

## **RETA 5894: Facilitating Capacity Building and Participatory Activities II**

58. To support capacity building and participation in its operations, during 1999 ADB approved technical assistance to facilitate such activities. The objectives of the TA are to enhance the efficacy of ADB's poverty reduction efforts by promoting beneficiary and partner ownership of activities through participatory design, implementation, and monitoring, and to gain experience and develop skills for both ADB and developing member countries. The TA created a readily accessible fund to support the use of timely and innovative participatory approaches for involving stakeholders in development activities. A number of the capacity building and participation initiatives financed from the fund created address or directly involve NGOs.

### **D. Directions in ADB-NGO Cooperation**

59. For ADB, NGO cooperation is a cross-cutting, institution-wide concern, affecting virtually every aspect of ADB's operations. During 1999, ADB began a process to review its overall program of cooperation with NGOs. This review was initiated in view of the new directions in ADB's operational priorities and strategies, to ensure that ADB's cooperation with NGOs corresponds to ADB's operational agenda. A major aspect of the review of NGO cooperation is examining the linkage between OESD's current operations with respect to cooperation with NGOs, and OESD's program of support and assistance to other departments and offices of ADB with respect to NGO-related matters. The final product of the review will be a plan for application and operationalization of ADB's policy and processes related to NGO cooperation and ADB's operations.

60. During 2000, OESD will finalize a plan outlining priorities and directions in ADB-NGO cooperation. Reflecting the objectives of the review started, this plan will work to link cooperation with NGOs with other aspects of ADB's operations. Specific areas to be addressed by the review are:

- Priority concerns and needs within ADB with respect to cooperation with NGOs and development of approaches to address and meet these concerns and needs.
- Mechanisms for interdepartmental input into development of overall strategies, approaches and initiatives in ADB-NGO cooperation.
- Current organizational and administrative arrangements for ADB-NGO cooperation.
- Development of an institutionalized framework and mechanism for consultation and dialogue with NGOs in member countries, both DMCs and donor countries, including development of external relations strategies.
- Identification of staff training and skills development needs with respect to NGO cooperation and approaches to satisfy these needs.
- Identification of measures for strengthening the capacity of Resident Missions and Representative Offices with respect to country-level cooperation with NGOs and provision of assistance to Headquarters missions in NGO-related matters
- Review of ADB's cooperation with NGOs with respect to identification of possible initiatives toward capacity building for NGOs, as an ADB development initiative.

## 1999 Projects Involving NGOs

Project	Amount	Strategic Devt Objective	Sector	Subsector	Primary Objective	Type of NGO			Type of NGO Involvement		
						Inter-national	National	Community-based	Design	Implement-ation	Monitoring/Evaluation
BANGLADESH											
1) 1690	86.00	Social	Social	Education	Human Res Devt		X			X	
2) 1708	214.40	Growth + Social	Transport & Communication	Roads	Growth		X			X	
CAMBODIA											
3) 1697	88.10	Growth + Social	Transport & Communication	Roads	Growth		X			X	
4) 1725	26.30	Social	Social	Urban Devt & Housing	Human Res Devt	X	X		X	X	
INDIA											
5) 1704	251.40	Social	Social	Urban Devt & Housing	Human Res Devt		X	X	X	X	X
6) 1719 to 21	200.00	Social	Social	Urban Devt & Housing	Human Res Devt		X	X	X		
INDONESIA											
7) 1675/76	879.05	Social	Social	Health & Population	Poverty		X	X	X	X	
8) 1677/1678	400.00	Social	Social	Urban Devt & Housing	Human Res Devt		X	X	X	X	X
KYRGYZ, REPUBLIC OF											
9) 1726	45.00	Growth + Social	Agri & Natural Resources	Irrigation & Rural Devt	Growth	X			X		
LAO PEOPLE'S DEMOCRATIC REPUBLIC											
10) 1688	8.83	Social	Agri & Natural Resources	Irrigation & Rural Devt	Poverty	X	X		X	X	
11) 1710	25.00	Social	Social	Water Supply & Sanitation	Human Res Devt	X	X	X	X	X	
MALDIVES											
12) 1695	14.00	Social	Others		Human Res Devt		X		X	X	
MARSHALL ISLANDS, REP. OF											
13) 1694	11.60	Social	Others		Human Res Devt		X		X	X	
PAKISTAN											
14) 1671	75.00	Social	Social	Health & Population	Women in Devt		X		X	X	
15) 1672	62.90	Social	Agri & Natural Resources	Irrigation and Rural Devt	Poverty		X		X	X	
16) 1679	12.70	Growth + Social	Agri & Natural Resources	Irrigation and Rural Devt	Growth		X	X	X	X	
PAPUA NEW GUINEA											
17) 1706	39.00	Social	Social	Education	Human Res Devt	X	X		X	X	
SRI LANKA											
18) 1707	38.50	Social	Social	Education	Human Res Devt		X		X	X	
19) 1716	80.00	Environment	Agri & Natural Resources	Fisheries	Environment		X	X	X	X	
TAJKISTAN											
20) 1705	25.00	Social	Others		Poverty	X			X	X	
21) 1714	6.25	Social	Others		Poverty	X			X		
THAILAND											
22) 1735	600.00	Economic Growth	Agri & Natural Resources	Agri Support Services	Growth		X	X	X	X	
TUVALU											
23) 1693	12.75	Economic Growth	Others		Growth		X	X		X	
VIET NAM											
24) 1702	100.00	Environment	Social	Urban Devt & Housing	Environment		X	X	X	X	
REGIONAL											
25) 1727/28	76.00	Economic Growth	Transport & Communication	Roads	Growth	X	X		X	X	

## Summary of 1999 Projects Involving NGOs

### 1) **Loan No. 1690-BAN: Secondary Education Sector**

The Project is aimed at assisting the Government in implementing its ten-year (2000-2010) Secondary Education Sector Development Plan (SESDP). The Project will cover six years of the Plan and will lay the foundation for a comprehensive and systemic reform of secondary education, including policy and institutional reforms and capacity building.

The Project will strengthen institutional capability of the Ministry of Education (MOE) to plan, manage, and monitor the secondary education system and to improve the use of scarce resources. It will improve curriculum development, further privatize textbook production, reform the examination system, improve teacher education, and strengthen school management and supervision. A school improvement fund will be created to support community interest in upgrading existing schools. To increase equitable access, new rooms or schools will be built in 115 underserved unions. This will redress current disadvantages and lead to more equity access to wage and self-employment income opportunities. NGOs that operate nongovernment schools will be tapped in building MOE's skills in performance-based school management and supervision.

### 2) **Loan No. 1708-BAN: Southwest Road Network Development**

The project will introduce specific policy and institutional reforms in the roads subsector that will improve governance, private sector participation and efficiency of business processes. It will also address social and environmental concerns by incorporating road safety and air quality improvement components. The project will involve a poverty reduction monitoring program to measure the poverty impact of the project. Under the project, a land acquisition and resettlement plan (LARP) sets out a detailed program of compensation and rehabilitation for project-affected persons. The LARP will be implemented by an NGO.

### 3) **Loan No. 1697-CAM: Primary Roads Restoration**

The project, which involves the upgrading of 577 kilometers of three national roads as well as the rehabilitation of bridges, will give farmers better access to markets for their products. The rural population will have more access to education and health services as well as employment opportunities. Better transport links will also expand religious, community and social activities and help unify a society shattered by decades of political instability and violence. Under the project, an NGO will be involved in developing and implementing an information, education and communication campaign for civil works employees and their families regarding the danger of sexually transmitted diseases spreading in civil works sites.

### 4) **Loan No. 1725-CAM: Provincial Towns Improvement**

The project will improve living conditions for half a million people in Battambang, Kampong Cham, Kompong Thom, Pursat, Sihanoukville, and Svay Rieng. These towns are the economic centers for the rural hinterland. They are the markets, transport depots, and processing centers for the agricultural products from the provinces so the improved services will help reduce poverty in rural as well as urban areas. One component of the project will improve sanitation conditions among poor communities in Battambang, Kompong Cham, and Sihanoukville through a project mobilized by an NGO and involving extensive community participation. Communities will contribute 50 percent of the capital costs for house connections

or on-site sanitation facilities and 100 percent of the costs for operating and maintaining the facilities. Some 1,500 households in three towns will take part in this program.

**5) Loan No. 1704-IND: Karnataka Urban Development and Coastal Environment Management**

The project will provide essential urban infrastructure and municipal services that will improve the lives of a million people. These include urgent improvements in water supply and sanitation facilities, solid waste and wastewater management, roads and traffic management. In most west coast cities, there is only limited piped water and the quality of well water is deteriorating due to a lack of underground drainage systems and saline intrusion.

Significantly, the project is part of a government strategy to shift the responsibility for municipal management from states to cities and capacity building and community participation will be provided at state and local levels to support this. NGOs and CBOs were involved early in project design and they also will be key stakeholders reviewing or prioritizing subproject investments in depressed urban areas. Project implementation will involve NGOs in microfinancing for poverty reduction, managing coastal resources, and promoting awareness of the project.

**6) Loan No. 1719/20/21-IND: Urban and Environmental Infrastructure Facility**

Project funds will be made available to reform-minded municipalities, microfinance institutions or private sector project sponsors all over India for projects that address basic human needs in urban and environmental infrastructure development. Specifically, the projects will involve water supply and sanitation; drainage and sewerage; solid waste management; area development, including slum upgrading; industrial waste management and air pollution control; upgrading streets, bridges, public transport systems and terminals; market development; and improving the financial and managerial capacity of local urban bodies. In this sector, it is the Bank's strategy to link local governments, NGOs, private organizations, microfinance institutions and local communities. Under the project, this strategy will be realized when local governments, NGOs, private organizations, microfinance institutions work jointly with low-income households to develop tertiary infrastructure in the slums and connect with the city-level trunk infrastructure.

**7) Loan No. 1675/76-INO: Health and Nutrition Sector Development Program**

Providing Indonesia's most vulnerable social groups - pregnant women and infants - with access to essential health, nutrition and family planning services is the goal this project. The health and nutrition project will:

- make sure health centers continue to function and are supplied with essential drugs, vaccines and consumable supplies.
- provide basic nutrition for pregnant women, infants and young children
- strengthen programs to control communicable diseases
- reinforce family planning programs
- increase help for street children and other neglected children

To ensure speedy and effective delivery, the health and nutrition project will bypass ordinary bureaucratic systems and provide block grants to health centers together with the authority to manage these resources. Block grants will also be provided to village midwives to

support outreach programs to better assist poor families. NGOs will be used as a conduit for distributing food and medical services to babies and neglected children in 12 urban areas. NGOs also will be involved in counseling students and in health education.

**8) Loan No. 1677/78-INO: Community and Local Government Support Sector Development Program**

A \$200 million policy loan component supports a set of reforms under the Government's decentralization program to devolve administrative and fiscal authority from central to district governments. Communities will be empowered through the establishment of local democratic and self-governing bodies. The performance and accountability of district governments will also be strengthened by a demand-driven approach to the provision of basic services, supported by NGOs, and by increasing information disclosure and transparency.

The second ADB loan, for US\$120 million, will fund a project aimed at both capacity-building at district government level and at poverty reduction. Funds will be distributed in block grants to 30-40 poor districts (covering 6,000 villages) so that district officials can put into practice their new responsibilities in designing and implementing small-scale projects such as water supply and irrigation systems and farm-to-market roads. The small-scale projects are expected to generate part-time jobs locally for two million poor households and improve basic services for more than 10 million people.

In designing the projects, 2 NGOs supported ADB in undertaking participatory workshops to gather input from hundreds of stakeholders. NGOs also will be involved in as facilitators in each participating district.

**9) Loan No. 1726-KYR: Agriculture Area Development**

As well as restructuring farms to make them more productive and profitable, the project will aim to raise crop yields by improving drainage and irrigation, the supply of farm inputs, the system for hiring farm machinery, and marketing and finance. Chui Oblast will be the pilot area because it accounts for 30 percent of the country's agricultural output, has high potential for agricultural growth and is the focus of other investments designed to raise farm productivity. Agriculture in Chui depends on irrigation yet many of its irrigation structures lack well-regulated water inflows. The project builds on earlier ADB projects to assist the Government with policy and institutional reforms and complements a World Bank project to provide other agricultural support services. International NGOs were involved in project preparatory studies.

**10) Loan No. 1688-LAO: Shifting Cultivation Stabilization**

The project will reduce the environmentally harmful practice of shifting cultivation, or slash-and-burn farming, by introducing diversified sedentary farming systems and other economic opportunities. Promising farm technologies and land allocation procedures will be implemented in two subproject areas covering 70,000 hectares and targeting 12,600 beneficiaries. The project will assist village people prepare and implement village development plans, including a land use plan for sustainable natural resource management and for the reduction of opium poppy cultivation. It will support integrated area development to improve life for farmers as well as create a favorable environment for new diversified sedentary farming systems. If successful, this approach will be replicated in other parts of the country. International NGOs, and the Lao Women's Union (LWU) were involved in stakeholder workshops during project preparation. While the government is still not ready to work with

international NGOs to help in various project activities in remote areas where government presence is limited, LWU will be involved in the management of village revolving microcredit funds.

### **11) Loan No. 1710-LAO: Water Supply and Sanitation**

The project reflects the ADB's new poverty reduction strategy. The strategy emphasizes the rural and social sectors, helping poor women and closer cooperation with NGOs in project implementation. The nearly 165,000 people in a dozen small towns that will benefit from the project currently rely on shallow wells or river water or have to buy water from vendors at high prices. Their sanitation facilities are unhealthy. The result is that diarrhea, malaria and hygiene-related skin problems are prevalent in these communities. NGOs will be recruited to promote community awareness and participation programs to inform people about environmental sanitation and health linkages. NGOs also will manage a revolving sanitation fund and another fund for deferred payment of water supply connection.

### **12) Loan No. 1695-MLD: Regional Development**

The project will give about 100,000 people in the outer islands a greater say in determining their economic future. It will provide institutional, infrastructure and environmental improvements for 40,000 people on 13 northern and southern islands. The project will also ease the strains on Malé whose population has increased fourfold over the past two decades due largely to the migration of people from the outer atolls in search of jobs and better education. The project was prepared using participatory consultations that involved stakeholders such as NGOs, CBOs, and women's committees.

The project includes the construction of regional development and management offices, and the training of local staff in the islands of Kulhuduffushi and Hithadhoo, and the upgrading of a 17-km road from the islands of Gan to Hithadhoo. The project will also improve urban streets; provide facilities for rainwater collection and storage for 2,000 individual households; provide sanitation for 1,000 individual households in the northern islands; and construct a 70-meter bridge and 200-meter culverted causeway in the southern islands. Another important component is the setting up of a facility for the environmental monitoring of the islands' freshwater aquifer, coastal geomorphology and marine ecology. A community education and participation program to be conducted by NGOs and CBOs strengthens stakeholders' involvement in the project.

### **13) Loan No. 1694-RMI: Ebeye Health and Infrastructure**

The project will finish the new Ebeye Hospital on which construction started in 1994 but ceased in early 1997 because of insufficient funds and implementation problems. As well as improving health care services, the project will provide a more reliable water supply and power generation to help ensure proper operation of the hospital. The project also will increase the area's fresh water supply to 1,000 cubic meters a day and upgrade the saltwater sewerage and effluent disposal system. The power generation will be overhauled and rehabilitated and the power distribution system will be placed underground. An NGO, Kwajalein Atoll Relief Emergency, will likely be involved in facilitating stakeholder participation in the project.

### **14) Loan No. 1671-PAK: Women's Health**

About 15 million rural women and children in Pakistan will benefit the project which aims to reduce the number of maternal and infant deaths, as well as the fertility rate. The project will reduce gender and rural-urban imbalances in the health sector. Project activities will directly improve access to health care, as well as the health status, of women, girls and infants in rural areas. It will target twenty districts in four provinces, eight in Punjab, and four districts each in Sindh, North-West Frontier Province, and Balochistan.

Under the first component, community-based health care and family planning services will be expanded through female health workers and safe delivery campaigns, and women's health will be promoted through the mass media. The second component will develop 20 women-friendly district health systems by strengthening the district health management, developing women's health services and referral, and mobilizing social support for women's health. The third component will support project coordination, capacity building, policy development and advocacy. NGO involvement is heaviest in the second component where they will be contracted to provide a complete women's health care package in each of the twenty districts.

#### **15) Loan No. 1672-PAK: Malakand Rural Development**

The project aims to meet these needs as well as to create a rural support organization - with NGO assistance - so that institutional support to village organizations can be sustained. The project has four components -- village development services, rural financial services, improving and expanding the road network, and implementing support and capacity building services. Some 80,000 poor rural households in Pakistan's less-developed Northwest Frontier Province (NWFP) are expected to benefit. Village development services include agricultural support services (agricultural, horticultural, and livestock development activities), community-managed infrastructure development (drinking water and sanitation schemes, micro-hydropower schemes, and irrigation improvements), and the development of community-based health services by training female village health workers and raising awareness to improve health and nutrition for women and children.

The ADB drew upon the experience of NGOs in designing the rural financial services component of the project. This component includes developing self-sustaining Rotating Savings and Credit Associations and linking them with the formal banking system. NGOs will provide technical support to communities during the first two years of operation of the financing scheme.

#### **16) Loan No. 1679-PAK: Punjab Farmer-Managed Irrigation**

Farmers' organizations for the first time will have management control of the distributary canals that feed the smaller watercourses which irrigate their individual farms. This was previously the responsibility of government provincial water authorities. Farmers have long managed irrigation at the watercourse level and are now willing and able to assume management responsibility of the distributary level further up the irrigation system. In order to facilitate this level of farmer organizations' (FOs) management of irrigation systems, the projects provides for as much as 427 person-months of NGO services for institutional development, technical support for FOs, design services and construction supervision.

The project will develop the institutional capacity of farmers for sustainable management of distributary canals. It is expected to lift agricultural output by 15 percent through improved water delivery and a more equitable water distribution and it will reduce subsidies. In addition, it

will conserve natural resources by reducing water losses due to saline groundwater. The project will be evaluated to provide feedback for replication.

**17) Loan No. 1706-PNG: Employment Oriented Skills Development**

The project will improve income-earning opportunities for the unemployed and underemployed in rural and urban areas by increasing short-term technical and entrepreneurial programs. At least 75 percent of the beneficiaries are expected to increase their income after training. To design the project, ADB assessed and learned from the experience of NGOs involved in vocational education in PNG. The project also will help establish a legal and policy framework for skills training and will enhance the technical, managerial, and entrepreneurial capabilities of vocational training centers, churches, NGOs and private trainers. A sustainable financing mechanism will be established to support skills training to be conducted at vocational training centers, some of which are run by NGOs.

**18) Loan No. 1707-SRI: Skills Development**

The project will restructure and reorient the vocational training (VT) system to ensure the quality and relevance of programs to match the demands of industry. It will introduce competency-based training, supported by career guidance, entrepreneurship training, trade testing, accreditation, staff development and the establishment of a national vocational qualifications system. NGOs and private sector providers of VT will be involved in capacity building activities of relevant government ministries.

The project also includes innovative initiatives such as environmental education and the promotion of self-employment - with a focus on women. Another feature is the introduction of a performance contracting scheme to encourage the participation of the private sector and NGOs in skills training. In addition, the project will provide funds to NGOs to manage the self-employment promotion initiative subcomponent.

**19) Loan No. 1716-SRI: Coastal Resource Management**

The project will construct shoreline protection works in the most affected coastline in six districts along the northwestern, western and southwestern coasts. This will benefit small-scale fishers and prawn farmers, fish processors, lagoon fishers, coral miners, fish vendors and other workers in the fishing industry and allied fields.

The project will also address other major problems such as overfishing, pollution and the uncontrolled exploitation of lagoons and estuaries, coral reefs and mangrove swamps, grass beds and other wetlands. It will establish integrated management of coastal resources in Sri Lanka to tackle resource degradation and manage coastal fisheries to improve its sustainability.

To be effective, the integrated approach needs an improved administrative capacity and legal environment. The project will build up capacity for more efficient management in the Ministry of Fisheries and Aquatic Resources Development and other agencies and community-based organizations (CBOs). NGOs and CBOs took part in stakeholder workshops during project preparation. Community resource management plans will be drawn up through CBO-NGO collaboration.

**20) Loan No. 1705-TAJ: Social Sector Rehabilitation**

The project will restore essential social services which were devastated by civil conflict and the transition from a command to a market economy. It will rehabilitate infrastructure, provide essential supplies, strengthen the delivery of services and improve targeting and access to services by vulnerable groups at the local level, particularly widows, orphans, street children and handicapped people. Concentrating on rural districts and promoting local work and self-help initiatives will reduce poverty. The project will also strengthen local governments and community participation in the reconstruction process.

The project will focus on the Leninabad and Khatlon regions, rehabilitating social facilities and providing training for health, education and social protection workers as well as small-scale grants for women and local governments. In addition, the project will bring nationwide benefits through the distribution of textbooks, medical equipment and supplies, public information campaigns, and management information systems for the Social Security Fund. An international NGO will be involved in setting up a plan that provides alternatives for the care of orphaned and abandoned children.

### **21) Loan No. 1714-TAJ: Emergency Flood Rehabilitation**

The project will help the Government repair damaged roads, bridges, riverbank protection works, irrigation systems, municipal water supply systems, power distribution facilities, telephone networks, and schools. The flood damage, caused mainly by heavy rain in July 1999, was countrywide. Over 80 percent of the population in the affected areas are very poor. Worst-affected areas included Leninabad and Khatlon regions which experienced widespread loss of farmland and livestock. NGOs providing assistance through relief goods and disaster preparedness training were involved during project preparation, specifically over aid coordination and the development of a long term flood management plan.

### **22) Loan No. 1735-THA: Agriculture Sector Program**

The program has been developed with the stakeholders and addresses critical issues constraining the sector's development in land, labor, capital, management, market services, inputs, and community participation. The Program will rationalize the use of water resources and improve management; improve land utilization and management; reduce soil degradation and improve watershed management; improve access of the poor to credit; and strengthen agricultural research and improve extension services. It will also facilitate marketing arrangements and reduce government intervention in input procurement, price controls and subsidies; promote import substitution and export expansion; and increase community participation in agriculture development. NGO involvement includes (i) provision of agricultural support to farmers, (ii) construction of 30 small-scale irrigation schemes, and (iii) collaboration in the design of farmer education in marketing, resource conservation, and export-oriented agricultural production.

### **23) Loan No. 1693-TUV: Islands Development Program**

The program will help to shift responsibility for managing development programs in the outer islands from the central government to local communities. To support this, a system will be put in place to ensure sustainable financial resources, including the establishment of a trust fund to be called the Falekauplue Trust Fund which will be placed with an off-shore fund manager. The income stream will be used for projects to be identified by the communities themselves. Such a program will foster regional development by providing a macroeconomic policy framework, delivering much-needed support services and promoting business

development. It supports the government agenda for national development and public sector reform. The sustainability of this approach hinges on strong community participation and under the project NGOs will facilitate this.

#### **24) Loan No. 1702-VIE: Ho Chi Minh City Environmental Improvement**

The project is aimed at reducing environmental health hazards, improving living conditions, and sustaining economic growth through improved infrastructure. Drainage and sewerage systems-made inadequate due to aging and overloading because of rapid urbanization-will be upgraded to prevent flooding in three of the city's most densely populated districts of about 240,000 people. Solid waste management will be improved to benefit the entire population of six million in the city. People live amid unhealthy surroundings due to insufficient solid waste collection that has led to the illegal disposal of solid waste in sewers and waterways. The project will raise the capability of urban service delivery companies to provide, operate, manage and maintain basic infrastructure and services more efficiently. In addition, industrial pollution control and air quality monitoring will be improved. Under the project, NGO involvement is limited to community organizing and implementation of community environmental awareness programs.

#### **25) Loan No. 1727/28-GMS: East-West Corridor**

The project will upgrade a major portion of the East-West Corridor linking northeast Thailand and central Lao PDR with the coast of central Viet Nam was approved today by the Asian Development Bank. Nearly half the 350,000 population living in the Route 9 project area are very poor. The road will provide them with better access to markets, job opportunities, education and health care. The East West Corridor will open up new vistas for all three countries. Central Viet Nam has several existing ports at Vinh and Qyu Nhon as well as Da Nang and planned deep-sea ports at Dung Quat, Chan May and Lien Chieu. When developed, these ports will be gateways to a huge hinterland. Northeast Thailand has the potential for agricultural development and the production of consumer goods. Central Lao PDR is rich in agriculture, forestry, mineral and hydropower resources. Central Viet Nam has land suitable for industrial crops and forest, marine and mineral resources.

Transport corridor routes can have significant impacts on the transmission of sexually transmitted diseases and HIV/AIDS both within countries and across borders. Under the project, an NGO will be involved in developing and implementing an information, education and communication campaign for civil works employees.

## Special Evaluation Study of the Role of NGOs in Bank-Assisted Projects<sup>1</sup>

During 1999, the Operations Evaluation Office (OEO) undertook a Special Evaluation Study to examine the role of NGOs in ADB-assisted projects. The purpose of the study was to review the effectiveness of involving NGOs in Bank lending and technical assistance operations, to determine whether such involvement helps address the issues and priorities of ADB's development agenda more effectively. The study assessed progress made in integrating NGO working experiences in ADB operations, provide feedback on best practices for future cooperation, and make operations-related recommendations to help improve the effectiveness of NGO cooperation. Because of resource limitations, study of NGO involvement in other ADB activities, such as country programming activities and policy formulation, was precluded, though the draft report from the study suggests that findings related to project and technical assistance operations apply as well to other aspects of ADB's operations.

### 1. Evaluation Study Conclusions.

The Special Evaluation Study presents a set of conclusions:

**There is significant evidence of increased ADB-NGO cooperation.** ADB has made significant progress over the past several years in cooperation with NGOs and involving NGOs in ADB operations. NGOs increasingly are consulted in sector policy formulation, country programming, and country portfolio review exercises. ADB staff are paying increased attention to the value and role of NGOs and other civil society organizations in the development of country assistance programs. Sections of ADB responsible for providing advice and guidance with respect to NGO involvement in ADB operations are increasingly effective.

Despite overall expansion in ADB's program of cooperation with NGOs, there are distinct differences in NGO cooperation related to country and sector. Operations in Southeast Asian DMCs have seen the greatest degree of NGO involvement compared with other subregions. Sectors with the greatest degree of NGO involvement are agriculture and rural development, microcredit, and the social sectors.

In many cases, however, substantial gaps appeared between project design expectations and actual achievements realized. This suggests that ADB and executing agencies must pay more attention to the pivotal factors that govern successful NGO involvement in ADB operations – such as working to establish a positive and enabling environment for NGO involvement, ensuring capacity on the parts of both executing/implementing agencies and NGOs when cooperation is envisaged, and identifying appropriate and effective processes for selection of NGOs to be involved in specific operations.

**NGO involvement leads to improved project effectiveness.** While the bulk of projects with NGO involvement are still ongoing, such that firm data on project performance are not available and conclusive judgement as to performance cannot be made, there is strong evidence that NGO involvement in project enhances consultative and participatory project development, which is linked positively with improved project quality. Beneficiary involvement is particularly important in poverty reduction efforts, both to ensure sufficient understanding of the nature of poverty and its extent and causes, and to develop partnerships that will most effectively address poverty reduction.

---

<sup>1</sup> Operations Evaluation Office, December 1999.

In this context, the study proposes that ADB continue NGO involvement in its operations, though on a selective basis, taking into account the country and sector being addressed, and the nature of the specific activity. There still is a need to assess NGO involvement, taking into account available NGO knowledge, expertise, and capacity. The country and governance environment also must be considered as positive government-NGO relations are necessary for effective and successful project partnerships. In many cases, ADB is seen as an intermediary or a broker in establishing a positive environment and effective partnerships.

**There is a need for ADB to respond to growing expectations related to NGO involvement in its operations.** Identifying appropriate and effective modalities for NGO and civil society involvement in development processes is becoming increasingly important as such involvement expands. The call for NGO involvement has expanded rapidly over the past decade – the study concluded that ADB capacity to cooperate with NGOs and involve NGOs in its operations has not kept pace with either the ADB's stated commitment or recognition of the importance of involving NGOs in its operations or the realities of the expanding NGO sector.

The study concluded in particular that ADB's capacity to manage and exchange information on the progress of NGO involvement and to modify or expand operations based on lessons learned from NGO involvement in previous operations is lacking. Resident missions, though increasingly active, remain underequipped to establish and pursue relationships with NGOs and civil society and tap into local NGO knowledge of either NGOs or other donors. Indications are that expectations related to ADB's capacity and willingness to cooperate with NGOs are expanding. Early initiatives are needed to meet such expectations and develop the constructive partnerships with NGOs and civil society.

## **2. Evaluation Study Recommendations**

Following on to its conclusions the evaluation study presents a set of main recommendations. These relate to the need to improve existing practices, as well as to strengthen and expand ADB and DMC capacity for NGO cooperation.

**Improving selection, management, and performance monitoring of NGOs.** In projects that are to involve NGOs and civil society organizations, greater attention must be given at the project concept identification and project design stages to capacity assessment of NGOs, and their willingness to participate in projects. A key success factor in this regard would be participatory development and consultation processes with the NGOs themselves and with intended beneficiaries. To assist and support ADB's project officers and executing agency authorities, a number of steps should be taken: (i) prepare operational guidelines and best practices for NGO involvement, drawing on evidence of good practice and lessons learned from previous operations, focusing on aspects such as securing project ownership, effective stakeholder analysis, NGO capacity assessment, and appropriate NGO identification and selection criteria, (ii) secure full ownership of NGO involvement from the executing agency, project beneficiaries, and the NGOs to be involved themselves, including agreed-upon roles and rationale for NGO involvement and anticipated outputs, (iii) ensure that NGOs to be involved are involved as early as possible in project identification and development processes; (iv) ensure that a fair and transparent NGO screening and selection process is used, (v) develop clear indications of executing agency and NGOs responsibilities, and (vi) prepare clear and definite terms of reference for NGO involvement, including performance monitoring criteria.

**Monitoring and evaluation of NGO involvement.** The study found that monitoring of NGO involvement in projects is inconsistent, and that such monitoring is not always provided for

in project design. As such, the full extent of NGO involvement, positive or negative, is not always captured. It is recommended (i) that it be mandatory that agreed and verifiable monitoring systems for NGO involvement in projects be included in project design, (ii) that clear and justified financial and other resource allocations for NGO monitoring be included in project budgets, (iii) that views of beneficiaries be included in monitoring, and (iv) that examples of good practice for NGO monitoring be developed.

**Strengthening of NGO reporting and information systems in ADB.** The monitoring and reporting of the progress, involvement, and impact of NGO and civil society organization involvement in ADB projects is underdeveloped. The gap between intentions and practice often is great and sometimes remains undetected. To improve matters, priorities should be (i) insuring that existing ADB project documentation captures information on NGO involvement – technical assistance reports and feasibility studies, the Report and Recommendation of the President, project implementation reports, review reports, and evaluation reports, (ii) ensure that actual data on NGO involvement is accurate and complete – intended NGO involvement, scale and nature of any NGO consultations, progress toward meeting intended goals, resources deployed through NGOs, etc. – with such information collected and stored in a central data base, and (iii) investigate the feasibility and cost effectiveness of developing and maintaining an NGO-related data base and identify systems through which information to be included in such a data base could be generated.

**Nurture a conducive environment for NGO involvement in ADB operations.** A key factor in the success of NGO involvement in ADB operations would be to foster an environment conducive to NGOs being involved as legitimate and valued partners, including support for the development of enabling legislative and regulatory frameworks in DMCs. In some DMCs, the capacity to implement enabling legislation and regulation is a constraint to NGO operations, alongside an unwillingness of executing agencies to embrace NGOs. The role of ADB in this regard should be to promote and facilitate activities that (i) create an improved policy and regulatory environment for NGOs, including technical assistance to governments to build capacity to address NGOs in a fair and transparent fashion, (ii) promote arrangements that institutionalize NGO involvement in policy and strategy dialogues, including NGO consultations during ADB country programming missions, country assistance plan development, and country portfolio reviews, (iii) ensure that NGO and civil society views are reliably and accurately reflected in ADB's operations documentation, (iv) deploy appropriately skilled and interested persons in Resident missions to work toward effective NGO involvement in ADB operations, and (v) as appropriate, encourage DMCs to seek capacity building assistance to support the strengthening of the legal and regulatory environment affecting NGOs.

**Strengthening ADB capacity for NGO cooperation.** A top priority in ADB's program of cooperation with NGOs should be to strengthen internal ADB capacity for NGO cooperation. The growth of the NGO sector and the expanding scope of NGO involvement in ADB operations reflected in recently developed policy and operations approaches raises the danger that ADB's own capacity to meet demands associated with NGO cooperation will not be adequate. To meet growing expectations related to NGO cooperation both within ADB as well as outside ADB several recommendations are made: (i) strengthen the existing function within the Office of Environment and Social Development (OESD) such that it will be able to serve the increasing demand of other departments and offices of ADB and the demand from outside ADB related to NGO cooperation, (ii) provide staff training related to NGO cooperation, addressing the nature of NGOs in general as well as specific aspects of NGO involvement in ADB operations, including aspects such as government-NGO relations, and (iii) for key NGO countries, develop

an ADB-NGO information exchange strategy and plan that would support NGO involvement in ADB operations and the development of operational partnerships.

A related priority would be examining possibilities for reorganizing NGO cooperation modalities within ADB, at Headquarters and in Resident Missions, including clear definition and assignment of responsibilities. In line with practice in other multilateral development organizations, the focal point and center of responsibility for NGO cooperation and addressing NGO matters should be strengthened and be given greater prominence, and an appropriate organizational framework for NGO cooperation and engagement developed. The evaluation study recommends that examination of this point could be undertaken through OESD, with the assistance of a consultant, and would (i) review the scope, organization, and management of necessary internal arrangements for NGO-related policy advice and operational support, to equip ADB with the necessary organizational and institutional capacity to meet both existing and anticipated demands related to NGO cooperation and coordination, (ii) on a country basis, review staffing requirements for NGO cooperation and the provision of specialized NGO-related advice, including assessment of resource implications and specification of responsibilities and reporting arrangements, and (iii) incorporate NGO and civil society partnerships into divisional and resident mission annual work plans, to be linked with inclusion of assessment of working relationships with NGOs and civil society as an element of staff performance appraisal.

**Strengthening government capacity for NGO cooperation.** A second priority in ADB's program of NGO cooperation should be to help build up governments' capacities to work with ADB and NGOs and civil society. On a selective country-by-country basis, ADB should provide project-related support and technical assistance to (i) assist government in developing strategies and strengthening capacities to improve NGO and civil society partnerships, (ii) strengthen executing agencies' capabilities to identify, screen, select, manage and monitor NGO involvement in development initiatives, through appropriate capacity building for project design, (iii) on a project-by-project basis, and jointly with ADB and NGOs, improve capacity to determine when involvement of an NGO in a development initiative would be the preferred course, and (iv) promote review by government central and executive agencies of lessons learned in cooperation with NGOs and involvement of NGOs in development initiatives.

**Selective assistance for strengthening NGO capacities.** ADB has had increased success in selectively strengthening NGO capacities. Taking account of lessons learned from previous NGO capacity building support, it is recommended that in support of specific project activities, ADB provide appropriate project-related support to (i) strengthen the capacity of NGO sector networks and associations in order to improve NGO capacity to contribute effectively to the development of both overall and sector-specific policies and strategies, (ii) strengthen the capacity of NGO networks and associations to document the experience and expertise of NGOs as part of capacity assessment for potential involvement in ADB projects, (iii) where appropriate, include NGO capacity building in project design and project implementation, providing appropriate resources and training in related processes, such as financial management and reporting, and (iv) examine the scope for use of mature national NGOs as well as international NGOs in capacity building for smaller NGOs.

**Expanding and forging new strategic alliances.** ADB must strengthen alliances with other donors, foundations, and international NGOs with experience, knowledge, and expertise in working with national- and local-level NGOs. To do this, priority for future ADB support should aim to (i) strengthen strategic alliances for NGO advice, including alliances with other multilateral and bilateral donors, foundations, NGO networks, and NGO resource centers, (ii) on a selective basis, promote deployment of technical assistance from ADB and other donors

toward strengthening national NGO policy and strategy development, and develop analytical capabilities, especially within national NGO coordination bodies and sector networks, and (iii) ensure that appropriately skilled staff are deployed in ADB, including OESD and resident missions, to nurture newly established strategic alliances.