



HOW DOES ADB ENGAGE CIVIL SOCIETY ORGANIZATIONS IN ITS OPERATIONS?

FINDINGS OF AN EXPLORATORY INQUIRY
IN SOUTH ASIA

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CONTENTS

| | |
|--|-----------|
| List of Boxes | iv |
| Acknowledgments | v |
| Abbreviations | vi |
| An Exploratory Inquiry into ADB Engagement of Civil Society Organizations: What? Why? How? | 1 |
| Background | 1 |
| A Note on Terminology | 3 |
| Sources and Limitations | 4 |
| Nongovernment Organizations as Contractors for a Range of Services in the Implementation of Loan Projects | 5 |
| Community Interaction and Mobilization | 5 |
| Coordination, Capacity Building, and Monitoring | 8 |
| Special Initiatives to Strengthen Implementation Strategies | 10 |
| Delivery of Social Services | 14 |
| Support to Implement Involuntary Resettlement | 16 |
| Comments on Contributions and Constraints | 17 |
| Community-Based Organizations as Target Groups and Beneficiaries of Many Loan Projects | 21 |
| Target Groups for Important Roles in Drinking Water and Sanitation | 21 |
| Target Groups for the Management of Project-Financed Infrastructure in Agriculture | 24 |
| Target Groups for Benefits and Services Related to Livelihoods | 25 |
| Comments on Roles and Contributions | 26 |
| Technical Assistance and Other Grant-Financed Projects often Involve Nongovernment Organizations | 28 |
| Outreach Initiatives in Support of Inclusivity | 28 |
| Exploratory or Demonstration Initiatives | 31 |
| Comments on Contributions and Constraints | 34 |
| Engagement “Upstream” in Planning at the Project and Country Program Levels | 36 |
| Project Planning | 36 |
| Country Program and Sectoral Discussions | 37 |
| Corporate Policies and Strategies | 40 |
| Concluding Comments | 43 |
| Appendix: Referenced Projects | 47 |

Boxes

| | |
|---|----|
| 1. Elements of a Wide-Reaching Community Awareness and Participation Plan implemented by a Nongovernment Organization | 7 |
| 2. Brief Overview of One of the NGO Collaborators of ADB: Shushilan (Bangladesh) | 13 |
| 3. ADB Guidelines Advocate the Use of Qualified NGOs to Support Resettlement and Provide Criteria for Identifying an Appropriate NGO | 17 |
| 4. Roles of NGOs and other CSOs as Contractors in Loan Projects | 18 |
| 5. Brief Overview of One of the NGO Collaborators of ADB: Sevanatha (Sri Lanka) and Its Work with Community Development Councils | 22 |
| 6. Bangladesh Places High Priority on Improved Sanitation and on the Role of CBOs and NGOs in Achieving this Priority | 24 |
| 7. Brief Overview of One of the NGO Collaborators of ADB: Centre for Rural Technology, Nepal | 32 |
| 8. Nepal Aims for Broader Consultations in the Country Partnership Strategy Process | 39 |
| 9. Feedback on ADB Engagement with CSOs from the Consultations on the Strategy 2020 Midterm Review | 41 |
| 10. A Different Modality of Engagement: Bangladesh's Solar Home Systems Program Involves Microfinance and NGOs through Participation Agreements | 45 |
| 11. ADB and WWF: An Evolving Institutional Partnership | 46 |

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Abbreviations

| | |
|-------|--|
| ADB | Asian Development Bank |
| BWCCI | Bangladesh Women's Chamber of Commerce and Industry |
| CBO | community-based organization |
| CPS | country partnership strategy |
| CRT/N | Centre for Rural Technology, Nepal |
| CSO | civil society organization |
| IPSA | initial poverty and social analysis |
| JFPR | Japan Fund for Poverty Reduction |
| LGED | Local Government Engineering Department (Bangladesh) |
| MTR | midterm review |
| NGO | nongovernment organization |
| NGOC | NGO and Civil Society Center |
| RDS | rural development society (Sri Lanka) |
| SFG | small farmer group |
| SHG | self-help group |
| SHS | solar home system |
| SMEs | small and medium-sized enterprises |
| WRDS | women's rural development society (Sri Lanka) |
| WUA | water user association |
| WWF | World Wide Fund for Nature |

Note:

In this report, "\$" refers to US dollars.

An Exploratory Inquiry into ADB Engagement of Civil Society Organizations: What? Why? How?

This publication illustrates the range of ways in which civil society organizations (CSOs) are currently engaged in Asian Development Bank (ADB) operations in South Asia and to encourage further thinking about the contexts in which further engagement could be pursued. The main focus is on engagement in project implementation, followed by a brief overview of “upstream” involvement in planning and assessment of projects and country programs.

Background

An ADB policy on cooperation with nongovernment organizations (NGOs) was adopted in 1998 and remains in effect. The objectives and rationale of the policy are stated in a key paragraph:

An expanded program of cooperation with NGOs in its member countries will be pursued. Such cooperation with NGOs will be undertaken 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. At the same time, the role of NGOs as increasingly significant actors in development processes is recognized.¹

Since the policy was adopted there has been considerable evolution in the involvement of NGOs and community-based organizations (CBOs), along with evolution in ADB strategies. In 1999, ADB identified poverty reduction as its overarching goal, along with a poverty reduction strategy to guide its efforts.² This reorientation was in part a response to the continuing effects of the 1997 Asian financial crisis, which had reversed progress in poverty reduction in many countries. The strategy promoted a greater ADB focus on sectors and subsectors that directly helped the poor and increased participation of the poor in economic activities. For example, in relation to infrastructure, the strategy emphasized rural roads, rural electrification, and water supply and sanitation. It also emphasized strengthening of rural institutions, access to microfinance, small- and medium-sized

ADB engagement with civil society organizations is not an end in itself but a means to enhance the effectiveness, sustainability, and quality of ADB development efforts

¹ ADB. 1998. *Cooperation Between the Asian Development Bank and Nongovernment Organizations*. Manila (published version dated 2004), para. 66. (ADB NGO Policy.)

² ADB. 1999. *Fighting Poverty in the Asia and Pacific Region—The Poverty Reduction Strategy of the Asian Development Bank*. Manila. A long-term strategy that also emphasized a pro-poor approach was formulated shortly thereafter: ADB. 2001. *Moving the Poverty Reduction Agenda Forward in Asia and the Pacific: the Long-Term Strategic Framework of the ADB (2001–2015)*. Manila.

The extent of collaboration with NGOs is influenced by ADB sectoral priorities and approaches

enterprises (SMEs), primary health care, and environmental resources management.³ The reorientation increased the proportion of projects that included direct involvement of communities, which also increased the potential and the need for contributions from NGOs and for the involvement of grassroots organizations such as water user associations (WUAs) and farmers' groups.⁴

By the middle of 2001–2010, changing conditions in the region, including an unexpectedly rapid economic recovery accompanied by growing income inequality, prompted a review and refocusing of the overall framework. Strategy 2020, approved in 2008, maintained the commitment to poverty reduction as the overarching goal and outlined three strategic agendas to pursue this goal in the changed context: inclusive growth, environmentally sustainable growth, and regional integration. Strategy 2020 aimed to refocus ADB operations toward five core specializations, which were expected to account for 80% of all operations by 2012: infrastructure, environment (including climate change), regional cooperation and integration, financial sector development, and education.⁵ Infrastructure is by far the most important of these five specializations and accounted for as much as 72% of all ADB financing in 2008–2012 (mostly energy and transport, but also including water and urban services).⁶

The Strategy 2020 Midterm Review (MTR) reaffirmed the validity of the overall approach of the strategy while proposing some operational refinements to respond to implementation experience and the changing development context. Several of the priorities identified by the MTR may widen the scope for NGO engagement, including a renewed focus on inclusiveness in infrastructure operations (i.e., increasing access to economic opportunities, markets, and social services), increased emphasis on food security and agricultural productivity, and expanded operations in the health and education sectors. The MTR also reiterates a commitment to engage CSOs in ADB operations, particularly in projects with grassroots participatory approaches, but also as participants and advisors in project planning and monitoring and in major policy reviews.⁷

The scope for involvement of NGOs is also influenced by the priorities of partner governments

The scope for NGO involvement in ADB operations and the incentives for outreach to such organizations are affected not only by the ADB strategic framework but also the development priorities and sociopolitical context of partner countries. Governments are ADB's main partners and country programs are jointly formulated every 3–5 years in light of the development concerns and priorities of both partners. All in-country ADB operations are undertaken in collaboration with governments. The countries in South Asia differ considerably on several dimensions, including size, income classification, poverty rates, and major development indicators. The role of NGOs also varies among countries in the region. For example, NGOs in Bangladesh have a prominent socioeconomic role that has evolved over decades, whereas Bhutan has very few NGOs and these have been established relatively recently. Governments also vary in their readiness to recognize expertise and

³ ADB. 2004. *Asian Development Fund IX Donors' Meeting*. Manila.

⁴ ADB. 2006. *Special Evaluation Study on the Involvement of Civil Society Organizations in ADB Operations*. Manila. (2006 CSO evaluation)

⁵ ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank 2008–2020*. Manila.

⁶ ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila. p. 4. (Strategy 2020 MTR)

⁷ Strategy 2020 MTR (footnote 6), para. 130.

experience that NGOs can bring to policy development and project implementation or to see them as reliable contractors in program implementation.⁸

A Note on Terminology

ADB's 1998 policy used the term “nongovernment organizations” and emphasized that the organizations of most concern to ADB were development NGOs, specifically:

... private organizations entirely or largely independent of government, not created for financial or material gain, and addressing concerns such as social and humanitarian issues of development, individual and community welfare and well-being, disadvantage, and poverty, as well as environmental and natural resources protection, management, and improvement.⁹

However, the policy also recognized that local CBOs that were mainly concerned with their members' self-interest—such as self-help, farmers', and WUAs—were also important to ADB operations.

More recently, ADB documents increasingly use the term “civil society organizations,” reflecting trends in international discussions and the growing role of a broader range of organizations, such as labor unions, research organizations, professional organizations, coalitions, and foundations in development discussions. The term CSOs is understood to include these organizations as well as the NGOs and CBOs described earlier.

There are differences within ADB member countries in South Asia in common usage and interpretation of these terms, but in general it seems that local staff and government partners use the term NGO rather than CSO.

The approach in this publication is to recognize CSO as the broader term but to use the terms NGO or CBO when they more accurately reflect the type of organization being discussed. The distinctions remain important. Most of the organizations engaged in ADB project implementation as contractors are development NGOs as defined in the extract from the ADB policy quoted above. Many projects also involve CBOs as target groups or beneficiaries, and as such these organizations have a different relationship with ADB than NGOs contracted to provide specific services and also have different characteristics as organizations. Other types of CSOs, such as labor unions and professional organizations, are occasionally involved in project implementation but are more often involved in “upstream” discussions related to project and program planning, although even here the development NGOs are the predominant interlocutors.

This publication uses the terms nongovernment organization (NGO) and community-based organization (CBO) for greater clarity about the types of organizations being discussed

⁸ A set of briefs on the CSO environment in South Asian countries is being prepared or updated; the briefs for Bhutan and Sri Lanka are already available online: www.adb.org/publications/series/civil-society-briefs

⁹ ADB NGO Policy (footnote 1), para. 5.

Sources and Limitations

This publication is based on an inquiry that was exploratory in nature because there is no systematic documentation of the types of activities and modalities of engagement of NGOs during project implementation.¹⁰ A starting point for the inquiry was a set of 33 projects currently in implementation in five countries (Bangladesh, Bhutan, India, Nepal, and Sri Lanka) that had been identified by staff as having interesting or promising approaches to working with NGOs. ADB descriptive and planning documents (available online) provided information on project objectives and strategies. A brief survey completed by the ADB officer responsible for each of these projects yielded useful preliminary information about the types of activities undertaken by NGOs and CBOs in project implementation. A small number of NGOs contracted directly by ADB under grant-financed projects participated in a separate survey. Short missions to three countries, Bangladesh, Nepal, and Sri Lanka, allowed for discussions with ADB officers in the resident missions as well as with a number of government officials and NGOs involved in implementation of ADB-assisted projects. Discussions with ADB staff in Manila also provided insights into particular projects, the challenges of project processing and management, the policy framework for outreach to NGOs, and the issues related to procurement and contracting with NGOs.

The limitations of the inquiry are important to note. The projects identified for attention were not selected as a representative sample of ADB projects in the region, nor were they a representative sample of projects engaging NGOs; rather, they were projects selected for attention because they could possibly contribute to a better understanding of ways to benefit from and support the involvement of NGOs in implementation of ADB-financed loans and grants. Almost all were ongoing projects and some were at very early stages of implementation, including a few that envisaged a role for NGOs but had not yet begun or completed recruitment. In most cases it was therefore too early for progress or results to be documented; verified information about results was only available for a few of the closed projects.

This was an exploratory inquiry into interesting or promising forms of engagement, not a stocktaking of practices and outcomes based on a representative sample

The capsule summaries of projects included in this publication are intended to illustrate different forms of NGO engagement, which in each case is generally only one element in a large and complex project. As a comprehensive outline of such projects was more than what was possible or needed in this document, the approach taken was to highlight the particular features or components of a project that were relevant to understanding the role assigned to the NGO or NGOs involved. The Appendix provides the list of all projects referred to in the text, along with some basic information; project and loan or grant numbers can be used to find more detailed project documentation on the ADB website.¹¹

¹⁰ The monitoring of NGO/CSO engagement in projects that is done annually for the ADB Development Effectiveness Report focuses on planning documents; limited information is available on actual involvement during project implementation and on different types of involvement (e.g., stakeholder, contractor). The best source of information on various types of CSO engagement remains the structured study by the ADB Operations Evaluation Department, published in 2006 (see footnote 4).

¹¹ As a detailed list of projects is included in the Appendix, projects are not formally footnoted when they are referred to in the text, but a summary of sources for each capsule summary is provided.

Nongovernment Organizations as Contractors for a Range of Services in the Implementation of Loan Projects

As a development bank, ADB makes loans to member governments in Asia to support the achievement of each government's development objectives. A range of contractors are engaged during the implementation of loan projects to provide the expertise required, much of which is highly specialized and largely the domain of international and national firms, particularly for the engineering and construction expertise required by the infrastructure projects that account for a large proportion of the ADB loan portfolio. The experience and networks of NGOs become pertinent where such projects interact with communities—according to an ADB staff member, NGOs help ensure adequate attention to “soft” elements in “hard” projects.

The role of NGOs in many projects is to facilitate project interactions with local communities. NGOs and other CSOs have also been engaged in loan projects where they have specialized sectoral or other expertise that can inform project implementation strategies, or where they can take on delivery of social services on behalf of governments. In many projects, smooth progress in resettlement has also benefited from the experience of NGOs.

These forms of NGO engagement are further discussed in the sections that follow and are illustrated with project examples. While in most cases the project activities for which NGOs are contracted account for a relatively small portion of the overall investment or loan, they can make critical contributions to awareness of the initiative and mobilize support for it, to its ability to reach a particular clientele, or to participation and sustainable results.

For its loan projects, ADB provides support, usually in the form of grants, for preliminary studies and project design and also works in partnership with governments in monitoring implementation, but ownership of these projects is vested with the borrowing government. Thus any NGO or other organization engaged in implementation of a loan project is selected and contracted by the government ministry or agency that is the executing agency for the loan (or by one of its implementing agencies).

In ADB-assisted loan projects, NGOs involved in implementation are selected and contracted by the partner government's executing agency

Community Interaction and Mobilization

NGOs have facilitated outreach to local communities by many ADB-assisted infrastructure projects. This outreach may be oriented toward, for example, increasing awareness of the project and its intended benefits for the community, or toward awareness and behavior change related to project objectives such as improved health or community management of infrastructure. Local NGOs may also be contracted to form or strengthen groups composed of, for example, farmers, water users, or poor women to better enable them to

participate in the project or in follow-up activities necessary to sustainability. (The CBOs formed in this way are project target groups or beneficiaries—this is another form of CSO engagement and is discussed in the next chapter.) The examples below illustrate roles played by NGOs as contractors for specific tasks in the project implementation.

A community awareness and participation plan designed to achieve meaningful and ongoing participation can help foster public support

■ **In an urban water project in Nepal, a national NGO plays a role in building a bridge between the project and the community**

The **Kathmandu Valley Water Supply Improvement Project** engaged a national NGO to implement the project’s community awareness and participation plan, which has a critical role in building public support for a project that will result in important benefits in the longer term but will cause significant disturbances before benefits become evident.¹²

For the Kathmandu Valley Water Supply Improvement Project, a community awareness and participation plan was developed at the project preparation stage. The project aims to rehabilitate and expand the water supply systems in this densely populated urban area to address an acute shortage of water—average supply is equal to only about one-quarter of the demand, with great variations between the dry and wet seasons. Project implementation began in 2012 and the construction of service reservoirs and distribution pipelines was well under way in 2014. The benefits will be realized once water inflow into the system is increased through the completion of a tunnel bringing water from the Melamchi River (constructed through a separate ADB-assisted project), which is not expected before the spring of 2016. With these initiatives water will be available for 8 hours a day to all urban households in the valley, including poor households and households headed by women (reflecting a project commitment to greater access to water that required policy reform to remove requirements for certificates of landownership and construction completion).

The project will bring major benefits to households throughout the valley, but it will take time for these to become evident and in the intervening period there will be major disruptions related to the construction process in this densely populated area. In this context, the community awareness and participation plan aimed to ensure that citizens were informed of the intent, design, and schedule of the project. The plan also aimed to involve citizens in realizing the full range of benefits of improved water systems and supply through behavior change related to hygiene, waste management, and water conservation.

A national NGO was recruited and tasked to work closely with the project implementation authorities to execute the community awareness and participation plan. The scope of the assignment is evident from the highlights set out in Box 1, and includes information gathering and analysis, awareness building and community mobilization, educational and behavior change activities, and support in the implementation of the project gender action plan. This is a wide range of activities but, according to the ADB officer responsible for the project, the community awareness and participation strategy represents a small investment of funds, and has a big impact in projects of this type.

“... a small investment of funds but a big impact...”

¹² See project approval documents available online (Project No. 34304); the project community awareness and participation plan; the implementing agency newsletter *Kathmandu Pani*, Vol. 1, 15 August 2014; and discussions with ADB project manager and staff in Manila.

Box 1: Elements of a Wide-Reaching Community Awareness and Participation Plan implemented by a Nongovernment Organization

Selected elements of the plan illustrate the broad range of activities pursued:

- Preparation of a community profile on each of the project areas, based on baseline information collection on communities in each area, including gender-specific socioeconomic information on households, and identification of households without water supply along with their characteristics, available social capital, etc.
- Awareness building and mobilization activities related to the project, with the aim of generating widespread participation and sustaining interest and enthusiasm
- Health and hygiene education activities using a range of materials and forums (including schools, community-based organizations, community committees, mass media, and training) with feedback to the project on issues arising, and monitoring of impacts
- Development of a plan to provide individual connections to female-headed households as well as poor and socially excluded groups, including identification of such households and provision of support to them in gaining approval, and monitoring of impact
- Preparation and implementation of plans on water conservation and waste management practices
- Support in the implementation of the project plan for gender equality and social inclusion, including aspects related to participation in consultation, household water connections, and in training of contractors on core labor standards and their gender-related aspects

Source: Description of Services for Consultancy Service for Community Awareness and Participation Consultants, Kathmandu Valley Water Supply Improvement Project.

■ In a community development project in Sri Lanka, NGOs help ensure that initiatives reflect local priorities

In the **North East Coastal Community Development Project**, local NGOs assisted villages in conflict-affected areas of Sri Lanka to prepare their own village development plans and identify priorities for community infrastructure.¹³

When the North East Coastal Community Development Project was launched in 2003, around 50% of households in the project area were living in poverty. The high prevalence of poverty was attributed to the conflict-related destruction of assets, population displacement, loss of male community members, and general disruption of government capacities, among other factors. The project designed in this context aimed to reduce poverty and meet basic needs, with a particular focus on vulnerable groups including households headed by women. One of the project strategies was the rehabilitation or construction of community infrastructure based on needs and priorities identified by the communities themselves.

Collaboration with local NGOs enabled the project to reach a large number of villages

¹³ See project approval documents available online (Project No. 33249); the project completion report, also available online; discussions with the government official who was project director (now retired); gender mainstreaming case study on the project (forthcoming).

To assist the 130 target villages, 40 NGOs were contracted and assigned specific villages for which their tasks were to mobilize citizens for project participation, conduct participatory needs assessments, assist community members to identify and prioritize needs for small-scale community infrastructure, and then document this in village development plans. The NGOs began by reinvigorating existing rural development societies (RDSs) and establishing new ones. As most RDS members were men, a parallel set of women's rural development societies (WRDSs) were formed, or reinvigorated where they already existed, so that women could express their needs and could have a greater voice in community discussions. Needs assessment discussions were held separately among women and men, and the village plans developed from these consultations included infrastructure priorities that reflected women's participation, such as weaving centers, rice mills, and preschools. The NGOs also provided guidance to RDSs and WRDSs in group management and facilitated their participation in the training and microcredit activities of the project (which were delivered by other specialized NGOs engaged by the project).

Participating communities built or rehabilitated 596 small-scale infrastructure subprojects, including minor roads, multipurpose buildings, markets, and fishers' restrooms, as well as the weaving centers, rice mills, and preschools noted earlier. A postproject review found that the new community infrastructure was being managed and maintained by the beneficiary communities, mostly by WRDSs.

NGOs had a key role in enabling the project to undertake activities in a large number of villages. This was possible because many potential NGO contractors were available—many local NGOs had emerged and been trained by various agencies as a means to provide relief in these conflict-affected areas. However, variations in the capacity of these organizations became evident during implementation. The need for additional training and supervision became even greater after the 2004 tsunami, as the project experienced a continuing loss of experienced staff to national and international organizations that came to the area to help address the devastation. While this situation resulted in unforeseen costs, the training and guidance provided by the project to their NGO contractors increased their overall capacities, which, as pointed out by the government project director, also contributed to the project aim of strengthening local communities.

Support to capacity development of NGOs can be another contribution to strengthening local communities

Coordination, Capacity Building, and Monitoring

Where a government partner or a project has contracts with many NGOs for project implementation tasks, either because the project covers a wide area or has multiple different locations, the engagement of a larger or more experienced NGO can assist with project management and increase the effectiveness of local or smaller NGOs. NGOs have also supported project management when tasked with other support and monitoring functions. These project management strategies are demonstrated by examples from ADB loan projects in India and Nepal.

- **In a project involving many cities in an Indian state, an apex NGO facilitates project management of local NGOs**

The local NGOs contracted to each of the 25 cities participating in the **North Karnataka Urban Sector Investment Program** are supported and guided by an apex NGO.¹⁴

The North Karnataka Urban Sector Investment Program has been implemented through three loan tranches since 2006, and a fourth tranche is at an early stage. The project aims to rehabilitate and expand urban infrastructure in a region in which economic growth has been slower. Investments focus on water supply systems, sewerage and drainage, slum improvement, urban road resurfacing, and infrastructure related to tourism, with priorities identified by each of the 25 participating cities on the basis of their own city-level infrastructure plan.

An NGO was engaged in each of the 25 cities to undertake a number of roles, including surveys and community mapping of household facilities (toilets, water connections); facilitation of communications with persons affected by project construction; and awareness and behavior change activities related to hygiene and sanitation.

The role of the apex organization is to support and guide the local NGOs in these activities. For example, the apex NGO manages the awareness and behavior change program and develops the modules and messages to be delivered by the local NGOs. Another role is to support local NGOs in implementing their responsibilities under the project gender action plan, including training where required to enable them to undertake this function. The apex NGO also monitors community participation in the project and relations between the community and the implementing organizations.

■ **The role of an NGO in a rural road project in Nepal evolves to focus on capacity building and monitoring**

In the second phase of the **Decentralized Rural Infrastructure and Livelihood Project** in Nepal, the NGO role was no longer social mobilization but rather capacity development of government implementation agencies for social mobilization and regular monitoring of project outcome indicators.¹⁵

Poverty in the hill and mountain districts of Nepal is linked to lack of access to social services, markets, and other opportunities to improve livelihoods. The difficult terrain, gaps in road networks, poor road maintenance, and high transport prices all contribute to poor mobility.

These issues are addressed in the Decentralized Rural Infrastructure and Livelihood Project. Most of the investment is in new and upgraded roads, complemented by support for road maintenance programs. The project also provides for investments in improvements to community infrastructure in the impact area of road subprojects, selected according to priorities in these communities (e.g., improvements to school buildings, health posts, mule trails, water supply schemes, or rural market places). Both improved

More experienced NGOs can provide a management and support function to increase the effectiveness of local NGOs

¹⁴ See project approval documents available online (Project No. 38254); project periodic financing request for tranche 4, also online; discussion with ADB project manager in Manila.

¹⁵ See project approval documents available online (Project No. 38426); discussion with ADB project manager in Kathmandu.

community infrastructure and skill training aim to improve livelihoods for women and men. Building groups composed of community members are favored over contractors for the construction of roads and community infrastructure. The involvement of the building groups is another means of strengthening livelihoods and community development outcomes, and this effect is enhanced by the technical and leadership training provided to the building groups formed through the project. A pilot that links building groups to microfinance will also be implemented in selected districts.

In an earlier phase of the project, social mobilization for the road building groups was undertaken by NGOs engaged in a consortium arrangement with a firm. As this proved to be an awkward mix, the approach in the current project is to hire social mobilizers directly for tasks related to group formation and support. A national NGO, Indreni Rural Development Center Nepal (IRDC-Nepal), has also been engaged, but this time to undertake a higher-level role and several project-wide functions. One part of the IRDC-Nepal role is to strengthen capacity of district development committees (the project implementing agencies in the 18 districts covered by the project) for social mobilization and community development. Another role is to do the groundwork for the microfinance pilot and to undertake supervision of the local NGOs that will be contracted in the pilot districts to provide links with microfinance. IRDC-Nepal is also responsible for regular monitoring of project outcome indicators, which provide important ongoing feedback for effective management of the overall project.

NGOs can also play a role in building the capacity of local and district governments in social mobilization and outreach

Special Initiatives to Strengthen Implementation Strategies

Loan projects sometimes include or are complemented with technical assistance grants that allow for initiatives related to capacity development, policy development, or research. Technical assistance grants linked to loans have also provided a means to focus on specific issues related to the loan implementation. Two initiatives in Bangladesh demonstrate how NGOs or other CSOs with specialized knowledge or expertise can be engaged in ways that can strengthen strategies to achieve project objectives and implement government policies.

■ CSO experience contributes to more effective support of women entrepreneurs in a project in Bangladesh

The Bangladesh Women Chamber of Commerce and Industry (BWCCI) implemented a technical assistance initiative integrated into the loan-financed **Small and Medium-Sized Enterprise Development Project**. The technical assistance initiative explored ways of addressing a policy implementation gap related to the loan's purpose of supporting the development of SMEs.¹⁶

¹⁶ See project approval documents available online (Project No. 36200); gender mainstreaming case study on the technical assistance grant (in draft, forthcoming), with results information provided by BWCCI.

The Small and Medium-Sized Enterprise Development Project is implemented by the Bangladesh Bank (the central bank of Bangladesh), which has taken a lead role in supporting the growth of SMEs in view of their contributions to growth in jobs and national income. In 2010, the Bangladesh Bank went beyond previous initiatives to set out guidelines for banks and financial institutions for the development of the SME sector, including indicative targets for loans to SMEs that were to be pursued at the regional and branch levels. The guidelines placed considerable emphasis on serving women entrepreneurs. They specified that at least 15% of all its loan refinancing be allocated to women entrepreneurs. Banks and financial institutions were directed to give priority to women entrepreneurs, to establish dedicated desks with appropriate staffing for women entrepreneurs, and to take the initiative to advertise facilities for women entrepreneurs. Further, the guidelines authorized banks to grant credit of up to Tk2,500,000 (approximately \$35,000) to women and other small entrepreneurs against personal guarantees (possibly with group or social guarantees).¹⁷

These provisions reflected the Bangladesh Bank's concern about the low representation of women entrepreneurs among credit recipients and the losses to the country this represented. ADB was also concerned about women's access to credit, particularly since women entrepreneurs accounted for fewer than 5% of credit recipients of an earlier ADB-assisted loan refinancing project.¹⁸ The new loan project therefore incorporated a \$500,000 technical assistance grant that aimed to address this issue, with the assistance of a CSO with sector-specific expertise. BWCCI was recruited through single-source selection for this initiative on the basis of its leadership on the issue of women's entrepreneurship, including engagement with the government in support of gender-responsive policy and regulatory reforms, experience in providing training and support to women-led businesses, advocacy related to the needs and constraints facing women entrepreneurs, and wide outreach across business sectors.¹⁹

The grant initiative addressed both the supply side (awareness and follow-up by participating financial institutions of the requirements of the Bangladesh Bank related to women entrepreneurs) and the demand side (awareness and capacity of women entrepreneurs to access the credit available, focusing on six selected districts outside major centers). These avenues were supported by further research on needs and constraints, which informed the training provided as well as advocacy with a range of government bodies for policy and program reforms to increase women's access to resources, services, and opportunities.

A preliminary review of achievements suggests the disbursement to women increased significantly over the period of the loan, particularly in the districts in which the grant was implemented (though still not achieving the target of 15% of credit set by the project and the Bangladesh Bank). Women in the six districts were reportedly better

Organizations with sector-specific expertise and experience can be a major resource for developing effective strategies

¹⁷ Bangladesh Bank. 2010. *Small and Medium Enterprise (SME) Credit Policies and Programmes*. Dhaka: SME & Special Programmes Department. pp. 5–6, 9.

¹⁸ The final tally was that women entrepreneurs accounted for about 4% of credit recipients and 5% of total disbursement. ADB, 2011. *Project Completion Report. Bangladesh: Small and Medium Enterprise Sector Development Program*. Manila. (Project No. 35225)

¹⁹ The justification for single-source selection was included in ADB. 2009. *Report and Recommendation of the President: Proposed Loan. People's Republic of Bangladesh: Small and Medium-Sized Enterprise Development Project*. Manila.

informed about seeking credit and related matters such as trade license requirements, tax numbers, and business plans as well as about credit facilities aimed at supporting women's entrepreneurship. Desks dedicated to women entrepreneurs had been established in 45 banks. Further commitments by government agencies to support women's entrepreneurship can be attributed at least in part to advocacy initiatives under the grant, such as an allocation by the Ministry of Finance to extend the training provided in the 6 districts to all 64 districts of the country.

In this instance, BWCCI's sector-specific program and advocacy experience in combination with the policy orientation of the Bangladesh Bank provided a good foundation for pursuing the aims of the grant and promoting follow-up of the perspectives and strategies developed.

■ **NGO collaborates with a major ADB partner in Bangladesh to test a performance-based strategy to strengthen rural infrastructure management**

Shushilan, an experienced development NGO, was contracted to implement a technical assistance grant attached to the **Sustainable Rural Infrastructure Improvement Program**. The grant is designed to test a strategy to strengthen local capacity and action on women's participation, in line with government policy and building on the experience of the implementing agency, the Local Government Engineering Department (LGED).²⁰

In Bangladesh, LGED is responsible for the development and management of local infrastructure and pursues this with a view to increases in production, employment, and socioeconomic conditions.²¹ It works in collaboration with local governments and is concerned with improving local governance, given the importance of local government to effective management of infrastructure and improvement of socioeconomic conditions. The LGED approach has included innovative elements that aim to maximize women's participation in governance and the benefits they gain from infrastructure initiatives.

To further support this LGED mission, and the provisions of the *Local Government (Union Parishad) Act 2009* related to women's participation, the Sustainable Rural Infrastructure Improvement Program incorporated a technical assistance grant in the loan project that aimed to adapt for the rural local government context a performance-based approach used in LGED urban infrastructure projects supported by ADB.²²

Under the grant, the NGO is working with 20 local governments (out of some 4,400 *union parishads* in the country) to develop a consensus with them on a set of indicators of women's participation in local decision making and of benefits gained by women from local infrastructure investments. Performance against these indicators will be used as the basis

²⁰ See project approval documents available online, including the technical assistance report (Project No. 40515); discussions with project director and other staff of the Local Government Engineering Department (LGED) in Bangladesh.

²¹ See mission statement on LGED website (www.lged.gov.bd).

²² For an overview of the approach in urban areas, see the case study on the Urban Governance and Infrastructure Improvement Project (UGIIP), also financed by ADB, in: ADB. 2010. *Gender Equality Results—Case Studies: Bangladesh*. Manila.

for granting access to funds for infrastructure investments (an amount of \$1 million of the loan has been reserved for this purpose). The NGO is providing various forms of coaching and on-site support to assist local governments to meet the performance criteria. Training and support is also being given to locally elected women to enable them to participate more effectively in local committees and decision making. A participating local government that meets the criteria would be eligible for an amount sufficient to do some work on bridges or culverts, upgrade a rural market structure, or install solar panels to provide lighting for a rural market. Where a participating local government maintains its performance against the indicators for a second year, it would be eligible for a similar allocation.

In short, incentives or rewards are being offered to local governments to be proactive in better integrating and serving women. The pilot is intended to yield conclusions about the effectiveness of this approach and result in recommendations to LGED about whether or how to follow up with performance-based approaches to women's participation. Another component of the grant, implemented by the same NGO, also aims to build on other LGED innovations by reviewing past LGED projects to determine the extent to which elements related to women's participation have been incorporated across rural infrastructure projects and to consider which approaches to implementation have been more effective. The review

Coordination between linked grants and loans is facilitated when the grant is planned and managed in close consultation with the executing agency for the loan

Box 2: Brief Overview of One of the NGO Collaborators of ADB: Shushilan (Bangladesh)

Shushilan (meaning “endeavors for a better future”) was established in Bangladesh in 1991 in response to the degradation of socioeconomic resources in the southwest coastal region. Since then it has grown into an organization active in about 20–25 of the country's 64 districts, with 43 branch offices and more than 500 full-time staff. It works in five thematic program areas:

- creating economic opportunities for the rural poor.
- mobilizing natural resources for sustainable development.
- transforming knowledge into practice.
- promoting human rights through strengthening local governance. and
- linking the underprivileged to areas of development cooperation.

Shushilan works with a range of national and external organizations as well as the Asian Development Bank (ADB). Its current work on an ADB-supported initiative focuses on capacities of local government and the participation of women in such governments, both of which are areas to which Shushilan has long-term commitments. Shushilan began its work on capacity building of local governments in 2000, with the objective of strengthening governance functions, improving capacity of local officials on relevant issues, and mobilizing community members to voice their concerns on all local governance functions. Shushilan also emphasizes women's empowerment at the local level, as the organization is convinced of the need for women to access all decision making processes. Women's empowerment is also a cross-cutting theme throughout the Shushilan program.

NGO = nongovernment organization.

Sources: Shushilan. www.shushilan.org; Shushilan. 2012. *Annual Report 2011–2012*. Khulna.

will allow for the identification of a set of minimum elements of rural infrastructure projects related to women's participation and benefit, with the aim of achieving a more standardized approach in rural infrastructure projects, whether financed by the government alone or with development partners.

Shushilan, the NGO recruited through a competitive process to implement the grant, is an established organization with experience in working with local governments and capable of undertaking activities with all 20 participating local governments (Box 2). Bangladesh benefits from a relatively large number of NGOs that have experience in training or otherwise working with local government (indeed there is a forum of such organizations), a point relevant to the ability to provide coaching and support to local governments in implementing the approach on a wider scale.

Delivery of Social Services

While priorities for ADB-assisted initiatives lean heavily toward infrastructure to provide the conditions for inclusive economic growth, ADB has also undertaken a commitment to increasing its support for the health and education sectors as necessary complements to reduce vulnerabilities and increase access to economic opportunities.²³

In the health sector, the exploration of alternative delivery methods is an important concern because of the size of the underserved population in some countries and the need to develop effective approaches to increase access and service quality. New approaches could include a larger role for NGOs or other nonstate providers, as illustrated by another project from Bangladesh.

■ Collaboration with NGOs provides means to expand access to primary health care in urban areas in Bangladesh

The **Urban Primary Health Care Services Delivery Project** has contracted NGOs to deliver primary health services in urban areas and has demonstrated that this public-private modality is a means by which overstretched local authorities can rapidly scale up service delivery to increase access and health outcomes.²⁴

Under the Urban Primary Health Care Services Delivery Project, NGOs have been recruited to deliver a package of essential health services in the major cities and selected municipalities in Bangladesh. In the pilot launched in 1998, 11 NGOs were selected to provide services in 14 catchment areas in the four largest cities in the country; another 2 catchment areas of one city were served through an allocation to the city's health department. The project also invested in the facilities in all catchment areas, building reproductive health care centers to provide for a range of services, including obstetrics, primary health care centers for preventive and curative services, and outreach sites that

²³ Strategy 2020 MTR (footnote 6), p. 23.

²⁴ See project approval documents available online (Project Nos. 42177 and 36296); other sources specifically footnoted.

aimed to bring preventive and educational services closer to the poor. A study of this first phase compared performance in two areas included in the project, one served by an NGO and the other by the city health department, and found greater improvements in many service quality and coverage indicators in the NGO-served areas, particularly among the poorest populations, and a lower cost of service delivery.²⁵

The follow-up project launched in 2005 expanded to include another two city corporations and five municipalities, which brought the population in the catchment areas from about 6 million to 9.4 million, estimated to be about 46% of the urban population of Bangladesh.²⁶ In this phase, 22 catchment areas were served by 12 NGOs (and another two areas were again allocated to the health department of one of the cities). As in the pilot, the project included construction or upgrading of health facilities. The scale of the initiative is evident in the data on clients served: through the project period, 47.4 million primary health care services had been provided to 26.5 million clients; 79% of them were women and girls. The poor accounted for 32% of the recipients of each major type of service (against a target of 30%). For 80% of client contacts, services were provided free of charge.²⁷

The current project began implementation in 2012 and further expanded the geographic area covered through contracts with NGOs and investments in health infrastructure. NGOs participating in implementation in Dhaka include the Bangladesh Association for Prevention of Septic Abortion, Khulna Mukti Seba Sangstha (Khulna Relief Service Agency), Nari Maitree (Women's Friendship), Population Services and Training Centre, and Unity Through Population Services. Some of these organizations have contracts for more than one area in Dhaka and some also have contracts for areas of other cities.²⁸

The project is a response to a major challenge facing Bangladesh: poor access to primary health care in urban areas, particularly among the poor, in the context of rapid urbanization and an increase in the numbers living in urban slums. The urban local bodies that are responsible for health care services have been overwhelmed by the pace of change and the increased demand for health services.²⁹ In this context, the project has demonstrated the potential to rapidly increase access to health care services by shifting the approach from direct delivery by the government to contracting for service delivery under the supervision of the government. The project has also demonstrated the capacity of NGOs to deliver the services required.

Outsourcing urban health service delivery to NGOs has had promising results in Bangladesh

²⁵ A. Heard, D. K. Nath, and B. Loevinsohn. 2013. Contracting Urban Primary Healthcare Service in Bangladesh—Effect on Use, Efficiency, Equity and Quality of Care. *Tropical Medicine and International Health* 18(7): 861–870. However, the authors caution that the limited basis of the comparison could mean that conclusions are not generalizable.

²⁶ A. O'Connell et al. 2012. *Report of End of Project Review, Urban Primary Health Care Project II*. Independent Consultant Team, commissioned by Department for International Development, United Kingdom. p.5. (DFID review 2012.)

²⁷ ADB. 2012. *Completion Report. Bangladesh: Second Urban Primary Health Care Project*. Manila. pp. 3, 33.

²⁸ The full list is available on the project website at http://uphcp.gov.bd/Partner_Areas

²⁹ Government of Bangladesh. 2011. *Strategic Plan for Health, Population and Nutrition Sector Development Program 2011–2016*. Dhaka. pp. 28–29.

Support to Implement Involuntary Resettlement

ADB policy aims to avoid involuntary resettlement wherever possible, to minimize it where it is unavoidable through exploring design alternatives, and to restore or even enhance the livelihoods of displaced persons. Requirements for managing involuntary displacement include meaningful consultations with affected people, compensation for losses, special measures for the poor and vulnerable, and the preparation of a time-bound resettlement plan.³⁰

“The participation of qualified and experienced NGOs improves the quality and effectiveness of involuntary resettlement design and implementation.”

– ADB *Involuntary Resettlement Safeguards* (2012)

ADB guidelines for implementing this approach have many references to the role of local NGOs not only as subjects of consultation but also as contracted collaborators in information gathering for resettlement planning, implementation of resettlement plans, and monitoring of outcomes. Further, the guidelines state that the participation of appropriate NGOs “improves the quality and effectiveness of involuntary resettlement design and implementation.”³¹ Box 3 reproduces the criteria for selecting appropriate NGOs for resettlement activities from the guidelines.

In South Asia, NGOs play important roles in supporting executing agencies in land acquisition and resettlement actions. NGOs are often involved in consultations with affected persons and in working with the communities to inventory losses, issue ID cards, make payments, assist in finalizing relocation options, and facilitate delivery of livelihood restoration activities. Another role has been to link vulnerable households to services and existing government programs. NGOs have also been crucial in supporting executing agencies in assisting displaced nontitleholders, especially in countries where the national legislation does not recognize nontitleholders as affected persons.³²

■ An NGO provides a range of services in involuntary resettlement associated with a railway development project

In the **Railway Sector Improvement Project**, an NGO was contracted to work closely with local communities affected.³³

In this major investment to increase the capacity of the rail network in several regions of India, infrastructure improvements resulted in displacements along several stretches of track. Sugam, a national NGO, was engaged for all sections requiring land acquisition and resettlement. Its role was to support continued information dissemination and disclosure and to carry out public consultations. It also assisted in distributing “top-up” allowances and assistance (the provisions required by the ADB Safeguard Policy Statement that are additional to the allocations required by government policy). For nontitleholders, Sugam assisted with the valuation of nonland assets as well as the distribution of top-up benefits. All resettlement compensation and assistance were paid via electronic transfer to the accounts to ensure transparency, and Sugam also had a role in ensuring that all affected persons had an active bank account, assisting them to open one if they did not, and in providing training in basic financial literacy.

³⁰ ADB. 2009. *Safeguard Policy Statement*. Manila. See also the summary and resources available at www.adb.org/site/safeguards/involuntary-resettlement

³¹ ADB. 2012. *Involuntary Resettlement Safeguards. A Planning and Implementation Good Practice Sourcebook—Draft Working Document*. Manila. p. 48.

³² Communication from ADB social development specialist.

³³ See project approval documents available online (Project No. 36330); communication from ADB staff.

Box 3: ADB Guidelines Advocate the Use of Qualified NGOs to Support Resettlement and Provide Criteria for Identifying an Appropriate NGO

The criteria for identifying an appropriate nongovernment organization (NGO) are set out as follows:

- The NGO should ideally be from the project-affected area or have work experience in the area.
- It should have a good track record in terms of program planning and implementation in resettlement, rural development, poverty, gender issues, environment, and participation.
- The NGO should have the necessary staff with technical and social skills in resettlement, community development, and participation, including familiarity with local languages and customs.
- It should be registered with the government as an NGO with good standing and be in sound financial condition for project implementation purposes
- The NGO should not be involved with any political party or religious groups directly or indirectly

Source: ADB. 2012. *Involuntary Resettlement Safeguards. A Planning and Implementation Good Practice Sourcebook—Draft Working Document*. Manila. p. 70.

Comments on Contributions and Constraints

Box 4 highlights several elements of the discussion in this chapter on major types of services for which NGOs are contracted in loan projects, the types of NGOs involved, and the value added by involving such organizations.

Views of government project directors and ADB officers with project responsibilities on the involvement of NGOs in project implementation converge on a number of points. The strengths and contributions of NGOs that are most often highlighted relate to their field presence, experience in community outreach and social mobilization, and ability to communicate clearly and in local languages, all of which enable them to bridge gaps between a project and the local communities touched by it. Furthermore, contracting with NGOs for community outreach and development activities ensures that these elements get the attention they require, since the management of the civil works that constitute a large part of many ADB-assisted projects absorbs most of the attention of implementing agencies and contracted firms.

Despite this perspective on the potential contributions of NGOs in projects that directly affect communities, project approval documents are often rather unspecific about whether a role is envisaged for NGOs, how they would be involved, and the expected results. Even when a specific role for NGOs is envisaged, approval documents generally do not outline the experience and skills that would be required to fulfill that role, nor do they report on capacity assessments undertaken to determine whether NGOs with appropriate

Attributes for which NGO contractors are valued by both government project directors and ADB staff are their field presence, social outreach experience, and communication skills

Box 4: Roles of NGOs and Other CSOs as Contractors in Loan Projects

| Services for which contracted | Type of NGO or other CSO | Value added by NGO or other CSO |
|---|--|--|
| Community interaction and mobilization | Local NGO (possibly from the region in which the project was implemented) | NGO experience and local knowledge can facilitate outreach to communities to enhance awareness, support, participation, results, and sustainability. |
| Coordination, capacity building, and monitoring | National NGO (or one with greater capacities or outreach than a local NGO) | Larger or more experienced NGOs can provide a management and support function to increase the effectiveness of local or smaller NGOs. |
| Special initiatives to strengthen implementation strategies | National or specialist NGO (or other CSO) with expertise relevant to loan objective(s) | Such special initiatives allow small-scale exploration of issues or delivery methods that can inform approaches to loan implementation and provide a means to learn from and build on the experience of NGOs and CSOs. |
| Delivery of social services | Local or national NGO or other CSO that specializes in delivering the services covered by the loan | NGO expertise often includes community outreach, particularly to poor communities. Their expertise and field presence can allow for rapid expansion in service provision in underserved urban areas. |
| Support to implement involuntary resettlement | Local NGO (preferably from the project-affected area) with resettlement experience | NGO experience and local knowledge can facilitate outreach to communities to enhance awareness, support, and participation |

CSO = civil society organization, NGO = nongovernment organization.

Source: Author.

competences are available.³⁴ These gaps at the planning stage may be important factors contributing to the difficulties experienced in some projects with NGO recruitment or performance (for example, with respect to timely recruitment in relation to other project tasks, sufficient numbers of candidates for competitive processes, or adequate skills for the tasks envisaged). A related issue is the tendency to assume that NGOs recruited for other tasks will also be able to handle tasks related to the project gender action plan, without specifically assessing skills or experience in this area.³⁵

³⁴ ADB officers questioned on this when they commented on skills or performance issues concerning NGOs contracted in projects conceded that this was generally a gap in the project preparatory process. This gap was also noted in the 2006 CSO evaluation (footnote 4), para. 79.

³⁵ ADB gender advisors in resident missions report that NGOs often require specific training and support to take on this role.

Other issues that could benefit from further attention at the planning stage include the steps required to enable project implementing agencies, such as local governments, sectoral agencies, or government ministries, to work effectively with NGOs, and the capacity development needs of NGOs themselves. While project investments in increasing the capacity of government partners and implementing agencies is generally seen as appropriate and necessary, capacity development for NGOs is often questioned, in large part because they are engaged as contractors, in the same way that private sector firms are engaged to perform specific functions. However, some ADB staff and government officials argue for a different approach in the case of NGOs. For example, in the case of Sri Lanka's North East Coastal Community Development Project discussed earlier, training needs became evident in the course of implementation and were then exacerbated by circumstances, but a strategy for continued training was seen as consistent with the project objectives of strengthening communities coping with poverty and unusual political and environmental stress. A similarly constructive view was taken in several other instances in which NGOs had an important community role in a project and more broadly in the sector, but performance was found to be uneven. As said by an ADB officer in Nepal, if such NGOs are not engaged and supported through projects, how else could they develop? Assessments and forward planning for NGO capacity development at the project design would allow formulation of a coherent strategy and an appropriate budget as well as timely implementation of project activities.

The local ties of NGOs are one of the attributes for which they are valued. At the same time, the more local the organizations the more difficulty they tend to have with the bidding, contracting, and project management processes associated with ADB-assisted projects.³⁶ These difficulties can include a lack of familiarity with preparing bids in the prescribed formats; with procurement, accounting, and reimbursement processes (including documentation of costs and payments made); with standard reporting approaches (inception reports, quarterly progress reports); or with all of these. Larger and national NGOs and NGOs with specialist expertise have also experienced difficulty with these processes as the bids, capacity assessment, and contracting seem poorly adapted to the relatively small contracts that will be awarded and the more subjective and experimental skills and implementation processes that characterize community development initiatives compared with, for example, construction.

Recruitment and contracting also remains a thorny issue in the Urban Primary Health Care Services Delivery Project in Bangladesh discussed above. This project assigns NGOs a larger role than in any other project discussed—the NGOs contracted are often referred to as “partner organizations” and those recruited for each phase are the main mechanisms of service delivery. Recruitment has been through competitive international bidding for all phases to date, although the NGOs selected have all been national organizations or in a few instances the local affiliate of an international organization. For each iteration, the NGOs bid for relatively short contracts, which an assessment identified as a limitation on their ability or motivation to invest in capacity building for urban health and as an approach

More attention in project preparation to the roles envisaged for NGOs and the associated characteristics and skills could help smooth implementation

³⁶ While the government executing or implementing agency is responsible for selecting, contracting, and managing NGOs in the implementation of loan projects, this is done using ADB guidelines and procedures; the recruitment process is increasingly done using the ADB online Consultant Management System (CMS) even when the bidding is among national candidates and the partner government for the loan has the responsibility for selection and contracting.

NGOs, particularly more local ones, find ADB processes challenging (bidding, contracting, and project management)

that did not foster longer term strategic partnerships.³⁷ Competitive bidding in the second phase raised concerns about cost–quality trade–offs, and underbidding by some NGOs was reflected in some implementation difficulties.³⁸ The concerns of NGOs about this process were heightened in the third phase as selection was based on a cost comparison of all bidders meeting the threshold standard, thus not providing any recognition of the NGOs with greater demonstrated technical competence or proven track record in service delivery. Another contracting issue complicating relations has been the extent to which contract terms obligate NGOs to undertake the risks and upfront financing of the services they provide.³⁹ A fourth phase of the project in the pipeline for 2016 provides an opportunity to reconsider these longer term strategic and partnership issues.

In some of these areas the processes followed have been recognized to be overly complex and a constraint to engagement of NGOs. ADB has recently made a commitment to identifying and addressing the business process constraints to NGO engagement, such as the requirement that NGOs are subject to the standard consultant recruitment procedures and contractual arrangements.⁴⁰

³⁷ DFID review (footnote 26), p. 41.

³⁸ DFID review (footnote 26), p. 41.

³⁹ Discussion with a participating NGO, May 2014.

⁴⁰ Strategy 2020 MTR (footnote 6), para. 130.

Community-Based Organizations as Target Groups and Beneficiaries of Many Loan Projects

As the name indicates, CBOs are based within communities and are composed of members brought together for their shared interests as, for example, farmers, water users, or producers. The increased attention to such organizations in ADB projects since about 2000 can be attributed in part to the impact of the ADB poverty reduction strategy on the number of projects that directly involve communities. Several countries in the region also promote the involvement of CSOs in certain sectors, most notably for drinking water and sanitation and in water resources management.

Where CBOs are involved as target groups and beneficiaries, NGOs are often also involved, but as contractors to deliver specific services such as formation and capacity building of CBOs (as discussed in the previous chapter).

Target Groups for Important Roles in Drinking Water and Sanitation

The drinking water and sanitation sectors have particularly targeted community involvement for the long-term management of the community infrastructure and services developed with project support. Projects in these sectors therefore include initiatives to form or formalize CBOs, build their capacities to function as a group, and train them for the technical aspects of their role. Two examples from Sri Lanka and Bangladesh illustrate the approach.

- **Rural community-based groups take responsibility at all steps in the improvement of rural community drinking water systems in a project in Sri Lanka**

The rural component of the **Secondary Towns and Rural Community-Based Water Supply and Sanitation Project** (Sri Lanka) took a community-based, demand-driven approach to providing safe drinking water systems, which were subsequently owned and managed through CBOs.⁴¹

The Secondary Towns and Rural Community-Based Water Supply and Sanitation Project was developed in the context of Sri Lanka's National Policy for Rural Water Supply and Sanitation (2001), which outlines a role for government authorities in regulating and

CBOs are the mechanisms through which the community participates and takes responsibility for both construction costs and long-term upkeep

⁴¹ See project approval documents available online (Project No. 31501, including loans 1993, 2275/6, 2757/8); discussion with ADB staff in Sri Lanka.

facilitating sector activities, with service provision by CBOs and the private sector. The policy recognizes water as an economic good and requires users to take responsibility for sustainable operation and maintenance as well as sharing in initial capital investments.

Combining poverty-focused and demand-driven approaches, the project identified administrative divisions that had high poverty rates and poor water supply and were also willing to take responsibility for both an investment contribution and subsequent operation

Box 5: Brief Overview of One of the NGO Collaborators of ADB: Sevanatha (Sri Lanka) and Its Work with Community Development Councils

Sevanatha was established in 1989 to assist poor communities to improve their shelter and livelihoods, and it remains one of the few nongovernment organizations (NGOs) in Sri Lanka with an urban focus. It is active in Colombo and a number of other major cities. Its key areas of activity include

- promotion of participatory development approaches such as community livelihood action planning, settlement mapping, and community construction contracts;
- community-based urban environmental management with special focus on urban solid waste management;
- improvement of community infrastructure and sanitation facilities in low income settlements;
- community savings and credit for shelter and livelihood improvement of the poor;
- affordable housing solutions with active participation of the poor; and
- community-based disaster preparedness and mitigation activities.

In a recent ADB technical assistance grant attached to a loan for a water and sanitation project in Colombo, Sevanatha worked with community-based organizations called community development councils (CDCs) to introduce sanitation options to an underserved area. CDCs have been formed in many poor and shanty settlements as a means to improve basic amenities. Sevanatha has considerable experience in working with CDCs, including in the community contract construction system that has been followed by various government bodies and NGOs in Sri Lanka involved in poverty reduction programs (CDCs have been recognized by the government as a potential contractor for contracts with values below a specified ceiling).

In this initiative, the tasks to be handled by the CDC under the guidance of Sevanatha were: (i) hiring skilled and unskilled labor from the community for the construction of the community sewerage system, and making payments related to labor; (ii) purchasing materials and tools and their storage; (iii) managing safety of construction workers and the community; (iv) coordinating construction issues with government stakeholders; and (v) mobilizing the community for the construction of individual toilets and their connection to the sewerage system.

Sources: Sevanatha website at www.sevanatha.org.lk; Sevanatha. 2014. *Final Report: RETA-6422—Reg: Piloting Pro-poor and Gender-Responsive Sanitation Options in Under-Served Settlement in Colombo*. Colombo; Sevanatha. 2003. *The Case of Colombo, Sri Lanka. Understanding Slums: Case Studies for the Global Report on Human Settlement 2003*. Colombo; discussions with Sevanatha in Sri Lanka.

and maintenance. CBOs were formed in these communities and provided with information and training that would enable them to select the water technology they considered appropriate for their community (e.g., tube well with hand pump, shallow dug wells, or rainwater harvesting). This preparatory step enabled each CBO to select a technology in view of the initial capital investment (to which they were required to contribute a minimum of 20% of the construction cost or the entire unskilled labor component) and the ongoing operation and maintenance cost (which is borne entirely by the CBO on behalf of the community). On completion of the construction, the water systems are owned by the CBOs. The project included further capacity development to enable the CBOs to operate and maintain the water system after project completion. By 2011, the project had supported about 9,600 rural water supply schemes.

Local NGOs also played an important role in implementing this approach, working in collaboration with local authorities in mobilizing the community into CBOs, providing training, and facilitating decision making.

■ CBOs (and NGOs) assigned key role in achieving sanitation improvements in Bangladesh

In the **Secondary Towns Water Supply and Sanitation Project**, the sanitation component is managed by NGOs working in collaboration with CBOs, and the CBOs take on the long-term responsibility as owners and managers.⁴²

The sanitation component of the Secondary Towns Water Supply and Sanitation Project, approved in 2006, was designed within the framework of Bangladesh's National Sanitation Strategy (Box 6), which emphasizes community mobilization and the role of both CBOs and NGOs. The project approach focuses on the knowledge, attitudes, and practices of the population and on increasing the demand for improved sanitation, reflecting lessons from previous projects that the key issues to be addressed related to better awareness of the benefits of better hygiene practices. Government intervention on the hardware side was seen as unnecessary given that low-cost technology was accessible to most of the population. However, the project also provides technical advice to households for sanitary latrine construction and constructs community, school, and public toilets.

The entire sanitation improvement component of the project is being implemented through NGOs and CBOs. NGOs have been engaged for each of the 16 participating towns and have been responsible for awareness activities, for managing the construction of community infrastructure (water points and latrines), and for organizing and training community groups to function effectively as groups and to undertake operations and maintenance.

The CBOs thus formed and trained will have the long-term role of owning, operating, and managing the community latrines and safe water points.

Policies of partner governments in certain sectors provide a robust framework for the participation of CBOs

⁴² Sources: project approval documents available online (project 36297); terms of reference for the community mobilization through NGOs for the project; discussions with staff of ADB and the executing agency in Bangladesh.

Box 6: Bangladesh Places High Priority on Improved Sanitation and on the Role of CBOs and NGOs in Achieving This Priority

The Government of Bangladesh has given high priority to sanitation, particularly in the follow-up to the 1st South Asian Conference on Sanitation (SACOSAN-I) in 2003, which it hosted. The Dhaka Declaration on Sanitation adopted by the conference deplored the dismal state of sanitation in South Asia and its adverse consequences for health, productivity, and quality of life. The declaration recognized the experience and achievements of actors such as NGOs and advocated partnerships with NGOs, CBOs, and other actors to facilitate progress with a new paradigm that was “people-centered, community-led, gender-sensitive and demand-driven.”^a

Bangladesh subsequently adopted the target of sanitation for all by 2010 and an approach that emphasized user participation, decentralization to local governments and community-based organizations, and the involvement of NGOs and the private sector. The National Sanitation Strategy (2005) identifies lessons from experience on which to build, emphasizing particularly the importance of national campaigns in raising awareness, of government–NGO–community partnerships, and of adequate community mobilization for motivation and sustainability. The strategy highlights successes achieved through NGO implementation.

Many NGOs implemented successful sanitation initiatives by building community demand for improved sanitation. Starting in early 2000, a number of NGOs started a completely new approach. Instead of appealing to individual households, they addressed a whole village as one unit. The focus shifted from individual action to collective action. There was no subsidy on hardware, not even for the poor people. Instead, many types of latrine models were developed to suit all sections of the population. Confinement of feces in a hygienic manner was the minimum requirement. A vigorous motivational campaign was mounted to increase awareness and demand for sanitation. Villagers and local government were full partners in these campaigns. The result was spectacular. Many villages attained 100% sanitation with every household having access to a sanitary latrine.^b

The high level of political commitment to achieving improved sanitation is reflected in the progress made—by 2012, Bangladesh had almost eliminated open defecation (which remains the recourse for 48% of the population of India and 40% of Nepal). In the same year, 57% of the population of Bangladesh was using improved, nonshared latrines.^c

Sources: ^a South Asian Conference on Sanitation (SACOSAN). *Dhaka Declaration on Sanitation*. www.un.org/np/sacosan; ^b Government of Bangladesh, Ministry of Local Government, Local Government Division. 2005. *National Sanitation Strategy*. Dhaka. Section 6.2. ^c World Health Organization and United Nations Children Fund. 2014. *Progress on Water and Sanitation: 2014 Update*. Geneva. p. 52.

Target Groups for the Management of Project-Financed Infrastructure in Agriculture

Community involvement is also an important element of water resources management, as illustrated by a project in Nepal.

■ Irrigation systems renovated through a project in Nepal will be operated and managed by WUAs

In the **Community-Managed Irrigated Agriculture Sector Project**, the role of WUAs is critical to the sustainability of the physical investments made by the project and for achievement of objectives for enhanced agricultural productivity and livelihoods.⁴³

Nepal's agricultural strategy prioritizes irrigation as a means of addressing its low levels of agricultural productivity. Farmer-managed irrigation systems using surface water serve just over half of the irrigated area, but in many cases poor physical structures have resulted in high maintenance costs and distribution losses.

In this context, the Community-Managed Irrigated Agriculture Sector Project aims to rehabilitate and improve existing structures and ensure that effective WUAs are in place to operate and maintain them. Since the project was launched in 2006, 111 rehabilitation subprojects to serve about 178,000 beneficiaries have been approved. WUAs have been formed or strengthened in all subproject areas. Planning of improvements was done by the government executing agency in collaboration with each WUA and the beneficiaries contributed to the construction (in total, the WUAs contributed 4.5% of the construction cost). WUAs as well as contractors undertook construction works, and an assessment concluded that “the quality of works carried out by WUAs through community procurement is at par with and sometimes better than that of contractors, and generally WUAs were more on time than the contractors.”⁴⁴

A project aim was to enable WUAs to independently manage their irrigation systems, that is, to be independent of government support. WUA leaders were provided with training in the preparation of operation and maintenance plans, but this has not yet been achieved. In the project extension allowed by additional financing, additional technical assistance will be provided to WUAs with the aim of establishing an operation and maintenance plan and a financing mechanism for each WUA. Further resources will also be allocated to building WUA capacity to manage water distribution to meet both equity and productivity objectives.

Target Groups for Benefits and Services Related to Livelihoods

Livelihood elements may also be part of the types of projects discussed above—for example, the WUAs in Nepal also benefited from agricultural extension and livelihood support services provided by the Community-Managed Irrigated Agriculture Sector Project. Another example of livelihood support provided through targeting CBOs, in this case small farmers' groups, is summarized below.

CBOs have an important role in the sustainability of irrigation systems and investments

⁴³ See project approval documents available online (Project N. 33209); discussion with ADB staff in Nepal.

⁴⁴ ADB. Summary of Project Performance, Project No. 33209-14, p. 2.

■ Project objectives of crop diversification pursued through formation and support for small farmers' groups in Bangladesh

In the **Second Crop Diversification Project**, small farmers' groups are the main means through which some 240,000 will be reached.⁴⁵

Farmers' groups are the CBOs through which farmers are reached for awareness raising, technical training, and the dissemination of new production technologies

A large proportion of Bangladesh's population is directly or indirectly engaged in agriculture, with rice as the dominant crop. The emphasis on rice production has contributed to food security, but it has also resulted in a reliance on imports of higher value crops such as fruits and vegetables. The objective of the Second Crop Diversification Project is to support small and medium-scale farmers (those with holdings up to 3 hectares) to upgrade production from low-value staple food grains to higher-value commercial crops so as to increase farm incomes, reduce poverty, and provide more varied and affordable nutritional options for local diets.

The project aims to benefit 240,000 farmers and contracted BRAC, a major national NGO, to form 12,000 small farmer groups (SFGs), with an average of 20 farmers per group (and a target of 30% women). The SFGs are a major means through which farmers are reached for awareness raising, technical training, dissemination of production technologies for high-value crops, and credit access.

The SFGs will also be involved in efforts to reduce postharvest losses and to improve the quality of produce through project support for on-farm small-scale infrastructure for postharvest handling (washing, grading, and packaging); storage and market-related transport facilities; or low-cost agroprocessing.

Comments on Roles and Contributions

In projects such as those noted above, CBOs are not only mechanisms to absorb project inputs and facilitate delivery of services but also essential actors to achieve objectives in areas such as improved agricultural productivity and incomes and in ensuring the sustainability of investments in rural infrastructure such as water pipes and irrigation systems.

Projects involving CBOs consistently pursue equitable participation by women, in support of project objectives as well as policy principles

A notable feature of the ADB projects that work with CBOs is the consistent effort to support women's participation and leadership. For example, the Crop Diversification Project in Bangladesh aims for 30% participation of women among farmers mobilized into groups. The Community-Managed Irrigated Agriculture Project in Nepal aims for 33% participation by women in WUAs and the Sri Lanka Secondary Towns and Rural Water Supply and Sanitation Projects aimed for 50% representation of women in participating CBOs. In many cases, a large part of the responsibility in achieving these targets rests with the NGOs involved in social mobilization and group formation. These initiatives are important in

⁴⁵ See project documents available online (Project No. 40534); Government of Bangladesh, Ministry of Agriculture. *Second Crop Diversification Project: Annual Report 2012–2013*. Dhaka; discussions with ADB staff in Bangladesh.

promoting women's access to information related to project and sectoral objectives as well as access to benefits and resources associated with participation. They are also important in equipping women with skills and confidence that can be used in other settings and in reinforcing the legitimacy of women's participation in economic activities and community decision making, in accordance with gender equality principles endorsed by ADB and partner countries.

Technical Assistance and Other Grant-Financed Projects often Involve Nongovernment Organizations

Technical assistance projects are a means to access expertise, including that of NGOs

ADB technical assistance projects are generally financed by grants and provide a flexible means to undertake activities that complement or fill gaps in loan activities. They tend to be defined in relation to ADB's main operational areas and the priorities identified in Strategy 2020.⁴⁶ Technical assistance projects provide a means to access expertise, including the expertise of NGOs, which can be particularly pertinent to development objectives related to inclusive growth, environmentally sustainable growth, good governance, and gender equity, all of which figure among ADB concerns.

NGOs often play important roles in initiatives financed by the Japan Fund for Poverty Reduction (JFPR). The JFPR prioritizes initiatives that have a direct impact on the poor and on vulnerable or excluded groups and it strongly encourages the direct participation of NGOs, community groups, and civil society. JFPR initiatives are either *project grants*, which provide direct support for the poor or test approaches that could be replicable on a larger scale, or *technical assistance grants*, which focus on building capacities of local communities, NGOs, local governments, and other institutions.⁴⁷

While technical assistance initiatives are designed and implemented in cooperation with governments, ADB generally recruits, selects, and contracts the individuals or organizations that will implement the project (in contrast to loan projects in which selection and contracting is done by the partner government).⁴⁸

And implementers of these projects are generally contracted by ADB directly

Some examples from South Asia of technical assistance and other grant-financed projects that have benefited from the contributions of NGOs are highlighted below under two headings: outreach initiatives in support of inclusivity and exploratory or demonstration initiatives.⁴⁹

Outreach Initiatives in Support of Inclusivity

Many JFPR initiatives with a large role for NGOs target disadvantaged groups that have not benefited from access to development resources or that would otherwise not benefit from

⁴⁶ ADB. 2014. *Role of Technical Assistance in ADB Operations*. Manila. (TA evaluation)

⁴⁷ ADB. 2013. *Japan Fund for Poverty Reduction: 2012 Annual Report*. Manila. p.1. Also see ADB. 2008. *Japan Fund for Poverty Reduction. Operations Manual*. OM E2/BP. Manila.

⁴⁸ In the case of JFPR initiatives, ADB selects and contracts organizations for technical assistance grants while project grants are managed by partner governments in the same way as loans.

⁴⁹ Activities considered in this section do not include project preparatory technical assistance (PPTA), which is generally financed as a grant, and may include some role for NGOs. From the limited information available, it seems that NGO involvement tends to be as informants as part of consultations with stakeholders. See section on "upstream" engagement.

an ADB-assisted project. These approaches are illustrated by two examples from Bhutan and India.

■ **Initiative to expand livelihood options of rural women in Bhutan implemented by NGOs**

Through one component of the JFPR project grant for **Advancing Economic Opportunities for Girls and Women**, two NGOs are assisting women in remote communities to form self-help groups and to increase their productivity, market linkages, and incomes.⁵⁰

In rural and remote areas of Bhutan, women increasingly outnumber men in the agricultural and rural labor force. However, productivity and incomes are low, and women's limited literacy, mobility, and access to information pose challenges to improving their situation. Through the JFPR grant, Advancing Economic Opportunities for Women and Girls, two national NGOs, Tarayana and the Bhutan Association of Women Entrepreneurs, were recruited to undertake activities to strengthen livelihood and entrepreneurial skills in selected rural areas, particularly targeting rural women.⁵¹

The project strategy was to form self-help groups (SHGs) to promote group-based microenterprises or other livelihood activities. The NGOs first surveyed members of the participating communities for their ideas about feasible microenterprises or other livelihood activities, and this became one input into the process undertaken with the SHGs to identify, plan, set up, and manage microenterprises. The project included some small civil works (e.g., construction of work shed, storage shed, or greenhouse; land preparation; biogas plant) and some equipment and tools to support start-up of livelihood activities (e.g., seeds, drying and bottling equipment, agricultural and pruning tools, weaving equipment, and yarns). The NGOs also delivered training tailored to the particular needs of the SHGs, in some cases related to production issues (e.g., seed treatment and pest control) and in others to enterprise and group management (e.g., bookkeeping). Another role was to assist the NGOs to formalize the SHGs, including the drafting of bylaws and registration with the appropriate government authorities.⁵²

Between them, the two NGOs formed 63 SHGs with a total of 993 members (84% female) to undertake collective marketing and in some cases collective production. The NGOs also facilitated market access and sales by bringing together producers and purchasers.⁵³ An impact assessment done just as the project was closing found early indications of positive effects on income, expenditure, savings, and poverty rates among SHG members as well as increased participation by women in household and community decision making and more respect for women's rights among women and men.⁵⁴

Women in rural and remote areas of Bhutan assisted by two NGOs to form self-help groups and increase output and market access

⁵⁰ See project approval documents (available on request, Project No. 44134); documents cited in footnotes; discussions with ADB staff in Manila.

⁵¹ ADB. 2011. *Proposed Grant Assistance: Advancing Economic Opportunities of Women and Girls*. Manila (Project No. 44134, JFPR 9155).

⁵² National Commission of Women and Children, Royal Government of Bhutan. 2013. *Quarterly Progress Report, JFPR 9155, July–September 2013*. Thimphu. pp. 14–15, Appendix 4.

⁵³ Memorandum of Understanding, Review Mission, 13–17 October 2014, para. 15.

⁵⁴ SW. Wang. 2014. *Impact Evaluation Study: Advancing Economic Opportunities for Women and Girls in Bhutan*. Thimphu. pp. 15–25.

National NGOs were contracted to deliver this component of the project because of their previous activities in social mobilization and their foothold in the project area. At the same time, their participation in the project was also envisaged as a contributing factor to the enhancement of their institutional and programming capacity, in line with project objectives of increasing capacities of national NGOs pursuing social inclusion and women's empowerment. These two implementing NGOs as well as others received training through another component of the project in strategic planning, budgeting, impact assessment, and related issues. These types of support are of particular value in the context of Bhutan, as there are still only a few NGOs with experience in socioeconomic development initiatives.

■ **Outreach to ensure that flood protection measures in an Indian state also benefit the poorest is undertaken by NGOs**

Through the JFPR project grant for **Livelihood Improvement for River Erosion Victims in Assam**, local NGOs undertake outreach to reach poor and marginalized communities who would otherwise realize few of the livelihood benefits of improved flood protection that are expected from a major investment in embankments and other protective structures.⁵⁵

Regular flooding and riverbank erosion in the state of Assam in India is a threat to lives and also to crops, livestock, land, and other livelihood assets. The resulting displacement and landlessness cause families and sometimes entire villages to settle on embankments to be above the level of the floodplain. While the elevation brings some protection, the inhabitants remain vulnerable, especially those living on the river side of the embankments. Further, these are areas where services are minimal, sanitation and hygiene are very poor, and livelihood options are limited.

A major investment through an ADB-assisted project will rehabilitate and extend structures in three large deteriorated flood embankment systems, along with measures to improve river bank management.⁵⁶ Reduced flood losses and increased production and incomes will benefit many in the project area, but not those who have already lost land and assets and have been displaced to areas such as those described above, who remain highly vulnerable.

These highly vulnerable communities are the concern of the JFPR grant, which seeks to increase their household incomes and improve their access to development opportunities. The major role in implementing the grant will be played by local NGOs already active in or near the three areas targeted. Contracts with these NGOs will enable them to expand the livelihood activities they have been offering, as their resources have been insufficient to meet the needs of the community and the demands placed on them. The project will also support the NGOs to strengthen their approaches through technical improvements and more emphasis on market linkages.

The work through the NGOs is expected to reach 2,000 households and to result in increased skills and incomes. In one location the focus is on spinning and weaving households, in two other locations the focus is on households involved in vegetable

NGOs already working with the community are enabled to expand services offered to respond to large unmet demand among a vulnerable population

⁵⁵ See project approval documents available online (Project No. 43069); discussion with ADB staff in Manila.

⁵⁶ Assam Integrated Flood and River Erosion Risk Management Investment Program (Project No. 38412, loan 2684).

cultivation, and in one densely populated urban location the focus is on enabling youth to find jobs or self-employment. The implementation approach also includes outreach to ensure equitable participation by women and girls in all activities and benefits.

Exploratory or Demonstration Initiatives

Technical assistance grants are also a means to explore the implications of emerging issues or to innovate with strategies to deliver resources or reach particular target groups. This is illustrated by two initiatives from the energy sector that reach beyond conventional approaches in energy projects. The first is a regional project implemented by an international NGO in collaboration with national NGOs and national energy authorities in three countries (Bhutan, Nepal, and Sri Lanka) that aims to generate findings to inform the policies and activities of participating organizations and possibly planning of future ADB-assisted initiatives. The other is an initiative attached to a larger energy project in India that explores the potential of improved livelihoods for women along with improved energy supply.

■ NGOs lead a regional exploration of the gender dimensions of energy access and energy use

The regional JFPR project grant **Improving Gender-Inclusive Access to Clean and Renewable Energy in Bhutan, Nepal and Sri Lanka** aims to build understanding and experience about the gender dimensions of energy access and use, benefiting from NGO inputs in each country and overall leadership by an international NGO.⁵⁷

This \$3.0 million grant combines a number of interlinked themes and processes as a means of stimulating thinking about gender-equitable approaches to energy, about which both governments and ADB officers have been seeking guidance. ETC/Energia, a respected international NGO with a strong presence in South Asia that focuses on gender and energy, was contracted to play an overall coordinating role. The grant complements ADB-supported investment projects in the three participating countries with initiatives to increase poor rural women's access to affordable and reliable energy sources and technologies. National NGOs with mandates related to energy and social development were contracted in Bhutan, Nepal, and Sri Lanka to undertake interventions with communities in collaboration with national energy authorities who implemented other grant-supported elements. The project brings together these different players within each country, thus promoting exchanges and linkages among players with different mandates and perspectives on energy access and community needs. Regional events promote further exchanges and the benefit of comparative perspectives. Project-supported research on gender and energy policies in the three countries provided another input to the discussions at the national and regional levels.

Both ADB officers and government counterparts have been seeking more guidance on the gender dimensions of energy access and use

⁵⁷ See project approval documents available online (Project No. 44135); Report of the Midterm Review Meeting, December 2013; discussions with ADB officers in Nepal, Sri Lanka, and Manila and with participating NGOs in Nepal and Sri Lanka.

Box 7: Brief Overview of One of the NGO Collaborators of ADB: Centre for Rural Technology, Nepal

The Centre for Rural Technology, Nepal (CRT/N) was established in 1989 as a nongovernment organization with professional expertise in the development and promotion of appropriate technology to meet basic needs and improve livelihoods among the rural poor, with a particular specialty in renewable energy technologies. Its priority themes are

- total access to energy (through intervention of technologies such as improved cook stoves, improved water mills, hydraulic ram pumps, solar dryer/cooker, and others);
- household air quality;
- gender equality and social inclusion in energy sector;
- community water management;
- climate change—adaptation and mitigation; and
- productive end use—employment and income.

CRT/N's most recent annual report marks its 25th year. The report outlines the 12 major projects that are currently underway, with the support of various organizations as well as its own resources. Current projects include two in collaboration with the Asian Development Bank (ADB):

- the Nepal component of the grant discussed in this section, **Improving Gender-Inclusive Access to Clean and Renewable Energy**, and
- a grant for **Gender-Focused Capacity Development in Clean Energy**, linked to the ADB-assisted project for Electricity Transmission Expansion and Supply, which provides skill training for livelihood enhancement for women and marginalized groups living along the transmission lines and undertakes an awareness campaign similar to grant noted above for the same area.

CRT/N participates in a number of regional and international networks for sustainable energy and for gender and energy and also works with a range of local partner organizations.

Sources: CRT/N. www.crtnepal.org; CRT/N. 2014. *25 Years of CRT/N: 1989–2014*. Kathmandu; meeting with CRT/N staff in Kathmandu, May 2013.

In Nepal, the JFPR project is supporting the Nepal Electricity Authority's Community Rural Electrification Department to provide electricity to about 10,000 households through 10 electricity users' groups. The Centre for Rural Technology, Nepal (CRT/N), an established NGO with relevant expertise (see Box 7), will complement this by providing capacity-building support to the 10 user groups on group management, as well as building confidence in the electrification project. CRT/N developed materials for an awareness campaign targeting all households in these remote communities with information on electrical safety, energy efficiency matters such as choice of light bulbs, and possible productive uses of energy. CRT/N has also worked more intensively with about 500 women to identify economic activities that become possible with energy access and has provided access to business development facilitators (which was an innovation introduced in the course of implementation).

In Sri Lanka, the JFPR project is supporting the Ceylon Electricity Board to enable about 2,200 poor households in a deprived, conflict-affected area to gain service connections. Practical Action is the NGO supporting the board in data collection and in the identification of beneficiary households and is also working to raise awareness among newly electrified households on the efficient use of energy. Practical Action's strengths include its long experience with renewable energy concerns and its commitment to mainstreaming gender perspectives in its work. Practical Action sees the household level as a key target for energy efficiency improvements, given national shortages, and sees women as the main target within households because they are responsible for most household uses. In addition to awareness-raising activities targeting all households, Practical Action will also provide training to about 750 people in the project area (targeting 30% women) in livelihood activities related to energy use, such as repair of televisions, mobile phones, and household equipment.

In Bhutan, the JFPR project is supporting the Bhutan Power Corporation to develop village electrical entrepreneurs and technicians through 3 months of classroom instruction followed by 6 months' on-the-job training. The aim is to equip both male and female trainees to take on various energy-related livelihoods, such as repair of household appliances, as well as contracts with Bhutan Power Corporation as independent entrepreneurs. Training for village technicians also addresses operations and maintenance functions for on-grid and off-grid services and for solar home systems. An NGO, the Royal Society for the Protection of Nature, has been engaged to complement these efforts by working with women in several remote and poor areas to develop or expand livelihood opportunities with a particular focus on activities that become possible or expandable due to energy access.

The experience gained through the grant-funded activities and exchanges are expected to inform further initiatives by government partners in the participating countries as well as ADB work in the energy sector. Participation in the project also enables the participating NGOs to expand their work with vulnerable and remote communities and to strengthen their links with the relevant government authorities.

■ **Initiative in an Indian state to enable women to more fully benefit from improved electricity supply implemented by an NGO**

The grant for **Enhancing Energy based Livelihoods of Women Micro-Entrepreneurs** integrated into the **Madhya Pradesh Energy Efficiency Project** aims to assist women to identify and exploit the business opportunities created with the 24 hour availability of electricity.⁵⁸

The Madhya Pradesh Energy Efficiency Improvement Investment Program supports improvements in the electricity distribution system that will provide for separate feeder systems in rural areas for agriculture and other uses. The separation addresses a problem of overuse of subsidized electricity for agricultural pumping resulting in an inadequate supply for households. Separate feeders, improved upstream systems, installed meters,

The experience gained through initiatives in the three countries is intended to yield lessons to inform ADB work in the energy sector and also its partner governments

⁵⁸ For this section, see project approval documents available online (Project No. 43467 and TASF grant 7831); internal document providing update on the grant component.

and household connections will provide a reliable 24-hour electricity supply to rural households.

The \$1 million grant integrated into the project—Enhancing Energy based Livelihoods of Women Micro-Entrepreneurs—provides a means to enable women to more fully benefit from this new situation. The social assessment for project planning found that about 30% of home-based microenterprises were operated by women, and as many as half had been severely constrained by the lack of electricity. An established NGO, Hand in Hand (working in collaboration with the Frankfurt School of Business and Management), was contracted to provide business development services to a target of 20,000 women entrepreneurs in 32 project districts, working largely through women’s SHGs who were also to be trained in delivery of business development services. A business needs assessment survey was done as a basis for the development of the training program and will include as a major element the potential benefits of electricity-based technologies.

Comments on Contributions and Constraints

NGOs such as those undertaking the outreach initiatives discussed in this chapter bring strengths and experience to these technical assistance and grant projects that is similar to what NGOs bring to loan projects—field presence, experience with community outreach and mobilization, and abilities to communicate with local communities. For the more exploratory and demonstration initiatives, NGOs can also contribute sectoral or thematic skills and experience, as illustrated by the examples of initiatives in the energy sector.

ADB’s ability to benefit more fully from NGO expertise in exploratory and pilot activities would be enhanced by more attention to project designs and to contracting approaches

Exploratory and demonstration initiatives implemented with NGO participation potentially have much to contribute to ADB understanding of issues and possible strategies. In practice, however, the potential may be constrained by the limited attention in project approval documents to clear specification of what is being explored or piloted, the criteria by which outcomes would be assessed, and the process for monitoring and assessment. Another limitation is the reliance on competitive contracting processes that exclude specialist organizations from contributing their expertise to the design of a project (as that would exclude them as potential implementers). The reliance on input-based contracts also limits the flexibility to adapt implementation processes to respond to implementation circumstances and lessons learned.

These concerns are not specific to projects that involve NGOs but have been raised about innovative and piloting approaches in ADB technical assistance generally. The recently concluded corporate evaluation of technical assistance states that:

A lesson from the pilot TA [technical assistance] and innovative initiatives is that they require different processes and approaches for design and implementation. Management of knowledge, replication, and scaling up mechanisms require a specific focus during implementation and wider promotion of lessons should be considered from the design stage. A customized M&E [monitoring and evaluation] system is needed. Further during implementation supervision needs to be more regular and focus on learning and adapting rather than meeting output targets. To provide

guidance, ADB may need to define more clearly what it means by innovative TA and pilot TA, so staff are more aware of what to highlight and what to pursue.⁵⁹

The evaluation study also recommends better use of the range of selection and contracting methods to better align with the purpose of the technical assistance, including single-source selection and lump-sum- and performance-based contracts. It also points to the need for increasing ADB staff capacity on all the steps in recruitment and contracting.⁶⁰ Follow-up to the broader changes related to project planning, recruitment, and contracting proposed by this evaluation would considerably enhance the context and potentially the outcomes of technical assistance in which NGOs are contractors.

⁵⁹ TA evaluation (footnote 46), para. 91.

⁶⁰ TA evaluation (footnote 46), para. 158, 202.

Engagement “Upstream” in Planning at the Project and Country Program Levels

The discussion and examples in previous chapters have focused largely on participation of NGOs and CBOs in project implementation, as service providers under contract or as target groups and beneficiaries. Other potential areas of engagement include the project planning stages during which issues and implementation strategies are identified or, more broadly, in the development and evaluation of the sectoral and country partnership strategies that shape the portfolio in each developing member country and set the framework for project selection. Participation in corporate policy and strategy discussions is an even broader potential level of engagement.

Project Planning

ADB officers and contractors are encouraged to consult with stakeholders including CSOs as part of project planning and design. This is evident in the documents that are part of the planning process, beginning with the poverty and social analysis done at the project concept stage and summarized in the initial poverty and social analysis (IPSA) format that is published online. The IPSA has a section on participation and empowerment that requires specification of “the key, active and relevant civil society organizations in the project area” and a categorization of the type of CSO participation in project design—that is, whether participation amounts to information sharing, consultation, collaboration, or partnership, and the depth of any form of participation pursued (low, medium, or high).⁶¹

Consultations at the project planning stage may focus more broadly on stakeholders, civil society, or affected persons than on CSOs

Consultations in some instances go beyond the geographic area covered by the project to also gain the views of CSOs with sectoral or thematic expertise relevant to the project. However, there is very little documentation on the types of CSOs consulted or on the depth and quality of these consultations.⁶² In part, the lack of clarity about CSO involvement is related to project planning guidance that promotes awareness and involvement of civil society (which may be represented by CSOs but is not limited to them) and that

⁶¹ ADB. 2012. *Handbook on Poverty and Social Analysis: A Working Document*. Manila. pp. 89–94. A similar form prepared at the project approval stage is called the summary poverty reduction and social strategy (often referred to as the SPRSS) and requires information about CSO participation in project implementation (pp. 95–100). Further guidance on the levels of participation and the depth of participation within levels is provided in ADB. 2012. *Strengthening Participation for Development Results: An Asian Development Bank Guide to Participation*. Manila. pp. 3–4.

⁶² Annual data for years before 2014 on the number of projects approved in the year that included CSO participation suggest that the proportion is extremely high, but this seems an overstatement (e.g., participation is reported in a very generic way and is not necessarily with recognized NGOs or other CSOs but could be focus group discussions with potential beneficiaries or negatively affected persons, or other types of information sharing or discussion with civil society); the data generated could better be characterized as reflecting the proportion of projects approved that had some form of information sharing or information gathering with civil society. A new system that aims at greater precision is being tested for projects approved in 2014.

promotes stakeholder consultations (which could include national and local governments, elected representatives at both levels, local institutions, private sector interests, and other development partners as well as CSOs).

Many ADB projects are large and complex, and the technical, engineering, environmental, and financial analyses required absorb a great deal of attention and resources of the ADB staff and consultants involved in planning. Physical works also absorb a large proportion of the investment in most projects. Civil society participation and consultation at the planning stage may aim to ensure awareness and social acceptability or to identify potential negative impacts to minimize and mitigate them (as required by the safeguards policy). Consultations may also aim to identify measures to ensure or extend positive impacts, particularly in projects that will require community involvement in subsequent management or provide some opportunities for additional livelihoods activities. However, as noted by several ADB officers, the approach to consultations with civil society and with CSOs (NGOs, CBOs, or other CSOs) depends on the view of the ADB officer responsible for processing a particular project.

Country Program and Sectoral Discussions

NGO engagement at the country program level is also promoted by the 1998 policy on cooperation with NGOs, within the context of the ADB mandate and its relations with governments. As stated in the policy,

[i]n country-specific activities, ADB continues to recognize priorities and concerns of governments, and the fundamental relationship between ADB and governments is the basis of ADB’s respective country-specific operations. Cooperation with NGOs at the country level would be a dynamic process involving ADB, governments, and NGOs, and ADB would work to foster tripartite relationships involving ADB, NGOs, and governments.⁶³

Country partnership strategies (CPSs) provide the main framework for the portfolio in each country and are renewed on a 3–4-year cycle. The preparation process requires some form of consultation with NGOs. However, in practice, this is generally at a relatively late stage in the process when the priorities and activities have already been established, and thus serves to inform the invited NGOs of the approach envisaged and to provide them an opportunity to express their views. As pointed out in the 2006 evaluation study on collaboration with CSOs, it may be unrealistic to expect more from these consultations as a CPS is essentially a bilateral document between ADB and a member government.⁶⁴ The study also noted that there was little documentation of such consultations or of what was done with the feedback from them.⁶⁵ This still seems to characterize the CPS process. Nepal’s approach in the preparation of the 2009–2012 CPS is an exception in that it aimed for more in-depth discussions and feedback on them (see Box 8).

⁶³ ADB NGO Policy (footnote 1), para. 67.

⁶⁴ 2006 CSO evaluation (footnote 4), para. 40.

⁶⁵ 2006 CSO evaluation (footnote 4), para. 39.

Looking beyond the South Asia region, Cambodia’s CPS approach includes a more ambitious effort to involve NGOs throughout the implementation period. A “Civil Society Engagement Plan” for the CPS period was prepared as a supplementary appendix to the CPS for 2014–2018. One of the specific commitments in the plan is for ADB to host two or three NGO roundtables per year on topics selected jointly by ADB and NGOs and structured so that both ADB and NGOs learn from the process. Another commitment is to facilitate NGO–government exchanges on issues of common concern to strengthen constructive engagement in areas related to ADB priorities.⁶⁶ This longer-term and ongoing approach seems more likely to achieve the dynamic tripartite relationship envisaged by the 1998 NGO policy. Furthermore, for both of the commitments highlighted, the parties would be brought together for discussions with a specific sector, theme, or issue focus, presumably with participants selected accordingly, which seems more likely to promote focused discussions of use to all participants than more generic consultations.

Another approach to building an ongoing relationship that was noted in the 2006 evaluation study on relations with NGOs was the country-level ADB–NGO Forum established in Indonesia in 2001. The forum aimed at establishing an ongoing dialogue about ADB operations in the country. It met quarterly, and the agendas for these meetings included country strategy concerns, discussions of specific projects, and NGO concerns. One positive outcome noted was agreement on ADB–NGO guidelines on participation at the project level, for example, in agriculture.⁶⁷

The 2006 evaluation study did a broader review of country-level consultations than was possible for the current inquiry. The lessons identified from this broader review emphasized the value of wider involvement of NGOs “upstream” from the policy and strategy level and the contributions of such wider involvement in improving NGO understanding of ADB operations and strategies, in fostering trust and commitment, and in strengthening relationships. Related lessons included the need to identify opportunities to build communications and trust between ADB and NGOs, the value of a positive and forward-looking focus in consultations, the importance of including a wide range of perspectives, and the benefits of structured and regular engagement.⁶⁸

Several of the larger national organizations met with for this inquiry that had expertise and experience in sectors and themes addressed by ADB expressed an interest in more regular dialogue. It was also noted that there were in-country civil society forums at which participants discussed key development issues and developments—national meetings of, for example, Climate Action Network South Asia, or national meetings on the localization of the post-2015 sustainable development agenda—at which ADB could have a greater presence and from which it could benefit.

There are of course differences among countries in the region that influence approaches taken to consultations and relationship building with NGOs. The size of India, for example, means that there are considerable cost implications in holding

A regular and ongoing consultation process may be more fruitful for both ADB and CSOs than a focus on the country partnership process

⁶⁶ ADB. 2014. *Cambodia Country Partnership Strategy 2014–2018*. Manila. Supplementary appendix (available on request).

⁶⁷ 2006 CSO evaluation (footnote 4), para. 50.

⁶⁸ 2006 CSO evaluation (footnote 4), para 51 (also, generally, pp. 10–14).

consultations that go beyond the national level. And while India benefits from many very experienced and sophisticated national organizations, some ADB staff regret that the national-level consultations on policies and strategies generally excludes the more local NGOs with which ADB collaborates at the project level. Nepal is much smaller but the extensive consultations in 2008–2010 noted in Box 8 still required resource

Box 8: Nepal Aims for Broader Consultations in the Country Partnership Strategy Process

In the 2008 consultations for the 2009–2012 country partnership strategy (CPS), the Asian Development Bank (ADB) collaborated with the World Bank and the Department for International Development of the United Kingdom (DFID), which were also reviewing their strategies in a consultation process that brought together some 350 participants from communities, nongovernment organizations (NGOs), political parties, the private sector, excluded groups, and government. The consultations sought the views of participants on the country’s development priorities and on approaches development partners should take to address them.

A follow-up series of consultations were held in early 2010 in several regions to report on how the voices of the various stakeholders had been taken into account and to discuss challenges in effective implementation, including increased community involvement. The initial and follow-up discussions involved the same participants and both consultations took an interactive approach with breakout groups to allow for more detailed discussions before recommendations were shared in plenary.

A brief publication issued in mid-2010, *Look, Listen and Learn*, outlined the process and summarized major points emerging from the discussions. A few highlights of the discussions show the range of issues discussed and that concerns differed by region:

- In Nepalgunj, participants raised concerns about aid not reaching communities (e.g., health posts unfilled and water projects not completed) and about projects marred by poor design or shoddy construction.
- In Pokhara, much of the discussion was about community involvement, which was seen by some as positive in some areas of service delivery (e.g., health, rural roads, and microhydro) and criticized by others as undertaken without sufficient examination of the capacity to deliver quality outcomes.
- In Biratnagar, a major concern was the abuse of public procurement, and possible counterstrategies, including the role of beneficiary groups in monitoring of implementation.

Broad consultations were also undertaken for the next CPS (2013–2017) and these were launched at an initial stage before the draft CPS was prepared. This also resulted in a brief publication, *Voices from the Field*, which provided feedback to participants. According to ADB staff, one way that the NGO inputs influenced the content of the CPS was a greater awareness and emphasis on the importance of social inclusion in the design of interventions.

Sources: ADB, DFID, and World Bank. 2010. *Look, Listen and Learn*. ADB. 2013. *Voices from the Field: Nepal Country Partnership Strategy Stakeholder Consultations*. Manila; discussions with staff at the Nepal Resident Mission.

and staff commitments. External assistance is also a larger component of development resources in Nepal than in India, and development partners with which ADB collaborated in those consultations collectively account for a significant proportion of overall external assistance to the country, a factor that would increase the impetus for all stakeholders to participate. Other country-specific factors include the role of NGOs in society, which is extensive in Bangladesh but at a very early stage of development in Bhutan. The degree of trust and respect between governments and NGOs also differs between countries, as does their willingness to work together.

Corporate Policies and Strategies

The current inquiry focused on South Asia, but some brief comments on the agency-wide level are in order as consultations on corporate policies and strategies involve South Asian NGOs and other CSOs.

Major policies and strategies have benefited from feedback from NGOs

Major policy and strategy documents that have benefited from feedback from NGOs and other stakeholders in recent years include the Safeguard Policy Statement adopted in 2009, the Public Communications Policy adopted in 2011, the Accountability Mechanism Policy of 2012, and the Strategy 2020 Midterm Review (MTR) undertaken in 2013–2014. For the MTR, for example, there were regional-level consultations (including one for South Asia held in New Delhi), country-level discussions with government officials and executing agencies, and specific consultations with other stakeholders including CSOs. The discussions were held to inform the MTR reflections and covered ADB strategic directions, issues such as support to middle-income countries and resource transfer to developing countries, key themes such as infrastructure and regional integration, business processes, and engagement with CSOs. Feedback was compiled for use in the MTR and a summary has been published on the ADB website. Box 9 sets out the main messages from the consultations about future ADB engagement with CSOs.

ADB publishes on its website a list of the policies and strategies that will be reviewed or developed during the upcoming period and that are subject to stakeholder consultations.⁶⁹ ADB is also committed to posting plans for consultations and at least one consultation draft of the policy or strategy being reviewed or prepared, as well as working papers and the proposed policy at the time that it is circulated to the ADB Board of Directors.⁷⁰ These provisions aim to ensure that CSOs and other stakeholders have adequate time and information to prepare for effective participation in the consultations.

ADB annual meetings provide another opportunity for ADB and CSOs to exchange views and develop relationships. The annual meetings are hosted by a member country and their main purpose is to bring together ADB governors from member countries to provide guidance on ADB administrative, financial, and operational directions. Others attending the event include senior staff of ADB and representatives of observer countries, international organizations, the media, academe, and the private sector. The host country, normally

⁶⁹ ADB. Schedule of Policies and Strategies subject to Public Consultations. www.adb.org/about/policy-review (accessed 22 December 2014).

⁷⁰ ADB. 2011. *Public Communications Policy*. Manila, para. 72.

Box 9: Feedback on ADB Engagement with CSOs from the Consultations on the Strategy 2020 Midterm Review

The main messages from the various stakeholder groups consulted, including civil society organizations (CSOs), on future Asian Development Bank (ADB) engagement with CSOs was reported as follows:

- (i) Engagement with CSOs should be an important consideration in the successful implementation of Strategy 2020.
- (ii) ADB’s interactions with CSOs should go beyond conducting consultations. ADB should treat CSOs as partners and not just as vendors and contractors. ADB should enter into direct financing partnerships with CSOs and explore how they can become more active partners in the project implementation.
- (iii) ADB should make greater use of CSOs for consultancy and technical work, including collaboration on knowledge products, given their cost-effectiveness, technical know-how, and extensive reach into local communities.
- (iv) ADB should support higher-impact community-driven projects with strengthened engagement of CSOs.
- (v) Strengthening of CSOs is a must for participatory development to create conditions for inclusive economic growth. CSOs should be recognized as contributing directly to productive economic activities.
- (vi) ADB should rigorously apply its environmental and social safeguards policies, in consultation with CSOs, to all its projects.
- (vii) ADB also needs to improve information dissemination for greater transparency and awareness raising of all stakeholders on the results and outcomes of its development projects.
- (viii) There is great potential to harness social media to obtain feedback from CSOs.

Source: ADB. 2014. *Summary of Stakeholder Consultations on the Strategy 2020 Midterm Review*. Manila. p. 7.

at the request of ADB, generally provides time and space for CSO representatives to sponsor panel discussions and to attend other meetings hosted by governments, ADB, and the private sector. More recently ADB also started to provide space for organizations to showcase projects in a series of sessions for “Learning with Partners.” The NGO and Civil Society Center (NGOC) assists CSOs planning to host panels and workshops with the preparation of the events.

The CSO program of the most recent annual meeting held in South Asia (in Delhi, India in May 2013) provides an illustration of the types of panels. There were four panel discussions on topics high on the development agenda: (i) ADB climate finance; (ii) contributions of smallholder farmers to food security and the role of ADB; (iii) socially responsible pension investments; and (iv) responsible development financing post-MDG 2015. Most of the panels included discussions of specific ADB projects, and panelists included representatives from a range of Indian, South Asian, and global CSOs. The CSO program also included a number of “Learning with Partners” sessions, including panels that addressed topics such as environmental sustainability, civil society role in improved governance and public service delivery, and business solutions to development problems,

Forums at ADB annual meetings provide another opportunity for exchanges with CSOs

as well as sessions showcasing innovative products with proven social or environmental impacts and a youth debate event that demonstrated that youth had views and ideas to contribute on a key development issue.

The CSO panels and other sessions provide opportunities for CSOs to network among themselves and also provide opportunities to establish contacts between ADB staff and CSOs addressing similar issues, which may subsequently lead to further discussions and joint activities. The annual meeting also includes an additional high-profile event in which CSOs meet with ADB Management, usually the President and the senior management team.

Concluding Comments

There has been considerable evolution in the extent to which ADB works with CBOs, NGOs, and others types of CSOs at the project level as well as at the country level and on sectoral issues. Further consideration of opportunities and means to involve such organizations is promoted by the recent MTR, which included the following set of commitments:

Collaborating with civil society organizations. ADB will work with a wide range of partners, including the private sector, civil society organizations (CSOs), and philanthropic agents. Business process constraints to engagement with CSOs, such as CSOs being subject to ADB's standard consultant recruitment procedures and contractual arrangements, will be identified and addressed. Greater opportunities for direct engagement of CSOs (and international organizations) on knowledge activities and with ADB projects may then be explored, while ensuring transparency and competition. CSOs will be more actively involved in the design and implementation of projects, particularly those that use grassroots participatory approaches to development, and in the monitoring of project activities and outputs. Their inputs and advice will be sought on the implementation of ADB's safeguard policies. CSOs will also be proactively consulted on major policy reviews.⁷¹

Currently, the most common modality of engagement with an impact on project implementation is through contracts with NGOs. For the most part, these NGOs are treated in the same way as firms, that is, they are recruited competitively and then are contracted to deliver specific services, either by executing agencies of partner governments (for loan projects) or directly by ADB (for technical assistance projects). This is an appropriate method of engagement in many instances, specifically where at the project planning stage it is already clear which services are required and that NGOs are the entity most appropriate to deliver those services. But where there is less certainty, and where the aim of working with NGOs is to benefit from the expertise and working methods of NGOs, the commercial contracting approach and service delivery contracts can be restrictive and inhibit the innovative and learning potential of these arrangements.

Constraints to further engagement or to performance related to the recruitment and contracting processes are already under study. Another area for attention pointed out by the recent evaluation of technical assistance is the ability of ADB staff to make full use of the range of recruitment and contracting methods currently available as well as new options that become available.

⁷¹ Strategy 2020 MTR (footnote 6), para. 130.

Another challenge to consider is whether there are ways to work with NGOs that complement these by further recognizing NGOs as development actors. Boxes 10 and 11 set out two areas of innovation that suggest that a much broader set of relationships could be considered under the general aim of collaborating with NGOs to enhance the quality of ADB development efforts. Box 10 outlines the approach in Bangladesh to promoting uptake of off-grid solar home systems (SHSs), in which loans by ADB and other development partners are on-lent to NGOs who further on-lend to customers for SHSs and also provide other services related to the supply and installation of equipment. In this instance, NGOs are “participating organizations” rather than contractors and the terms of the refinancing mean that this is a viable business opportunity for them.

Another type of innovation is represented in the evolving institutional partnership of ADB with the World Wide Fund for Nature (WWF), briefly outlined in Box 11. Since a memorandum of understanding was signed in 2001, the partnership has expanded from issue-based discussions to program-level collaboration, most notably in the Greater Mekong Subregion. The exchanges and collaboration toward objectives shared by ADB and WWF are facilitated by a long-term commitment by both parties to develop a partnership that allows both to enhance the quality and the impact of their programs.

Box 10: A Different Modality of Engagement: Bangladesh's Solar Home Systems Program Involves Microfinance and NGOs through Participation Agreements

The number of off-grid solar home systems (SHSs) has increased very rapidly in Bangladesh over the past decade—to about 3 million installations in early 2014 from fewer than 100,000 only 10 years earlier. An important facilitating factor in this growth has been the program implemented by the Infrastructure Development Company Limited (IDCOL) with the support of the World Bank, the Asian Development Bank (ADB), and other donors.

IDCOL's SHS program works through microfinance and other nongovernment organizations (NGOs), called “participating organizations” (POs), which IDCOL selects according to criteria related to their business plans for use of refinancing under the program, capacities to implement the plan, past financial performance, and accounting systems. IDCOL establishes the technical standards for the equipment to be used and the overall terms of the program and provides loans to the participating organizations, who then on-lend to customers in rural areas, install systems, monitor their performance, and provide maintenance and technical support. The program includes a partial subsidy in the form of a capital buy-down grant to participating organizations that reduces the purchase price for households. For participating organizations, the terms of the refinancing mean this is a viable business opportunity.

The program has been in place since 2002 with the support of multiple donors and is thus well documented:

- S. R. Khandker, H. A. Samad, Z. K. M. Sadeque, M. Asaduzzaman, M. Yunus, and A. K. Enamul Haque. 2014. *Surge in Solar-Powered Homes: Experience in Off-Grid Rural Bangladesh*. Washington, DC: World Bank Group.
- M. Asaduzzaman, M. Yunus, A. K. Enamul Haque, AKM Abdul Malek Azad, Sharmin Neelormi, and Md. Amir Hossain. 2013. *Power from the Sun: An Evaluation of Institutional Effectiveness and Impact of Solar Home Systems in Bangladesh*. Dhaka: Bangladesh Institute of Development Studies (Report submitted to the World Bank).
- IDCOL. www.idcol.org/home/solar

ADB financing for this initiative is through the **Second Public-Private Infrastructure Development Facility** (Project No. 42180, loans 3045/46, of which \$10 million is a credit line to IDCOL for the SHS program) and the preceding Public-Private Infrastructure Development Facility (Project No. 40517, loans 2453/54, of which \$33 million supported the program).

A similar modality is used on a much smaller scale and on a pilot basis in the grant for **Developing an Inclusive Insurance Sector** (Project No. 41671, JFPR 9129). In this case, the implementing agency is the Pali Karma Sahayak Foundation (Rural Employment Support Foundation, PKSf), a government-established apex organization providing technical support and capacity development to microfinance NGOs is the implementing agency. The grant supports PKSf in the development of a microinsurance product for the rural poor to be sold through PKSf participating organizations under participation agreements. The aim is to provide the poor with reliable and affordable institutional microinsurance risk to better enable them to cope with risk and thus reduce their vulnerability.

Box 11: ADB and WWF: An Evolving Institutional Partnership

The 2001 Memorandum of Understanding signed with the World Wide Fund for Nature (WWF) was the first such agreement between the Asian Development Bank (ADB) and a nongovernment association. The agreement, which states that the two organizations “will develop a partnership to contribute toward the sustainable management of natural resources” (para. 1), provided a framework within which to share knowledge and expertise and to pursue joint activities.

WWF was established in 1961 and has become the world’s largest conservation organization with a network active in more than 100 countries, more than 5,000 staff, and more than 5 million supporters. Its mission is to conserve biological diversity, to work toward the sustainable use of renewable natural resources, and to promote the reduction of pollution and wasteful consumption. These concerns are very relevant to ADB priorities of environmental sustainability and inclusive growth.

The partnership has evolved over time. It began with activities such as joint seminars to share knowledge on environmental issues in the region. WWF subsequently made contributions to policy deliberations, such as the development of the 2009 Safeguard Policy Statement. Collaboration at the program and project levels has become another facet of the partnership. For example, in the Greater Mekong Subregion, where ADB has supported the six countries since 2005 in a program for environmental integrity and the management of biodiversity corridors, WWF is advising ADB in project design and implementation.

ADB’s relation with WWF differs from most of the other examples documented through this inquiry in that it is based on a longer-term commitment to developing a partnership that allows both organizations to enhance the quality and impact of their programs for the benefit of the region. WWF does not implement projects on behalf of ADB, nor does it seek funding from ADB. It is instead a collaboration that enables them to work jointly in support of objectives both hold, with ADB benefiting from the knowledge and expertise of the WWF, which in turn is able to augment its reach and impact with the larger-scale ADB programs and close relations with governments. Joint activities are guided by annual consultations that involve key staff at headquarters and in the region to review progress on agreed activities and to decide on future activities. Collaboration is also facilitated by the presence since 2008 of a WWF representative onsite at ADB headquarters.

In South Asia, WWF has offices in Bhutan, India, and Nepal. Its on-the-ground presence is particularly notable in India, where it has some 500 staff and 30 offices. This has facilitated collaboration at the local level on particular projects where WWF local priorities overlap with ADB priorities.

Sources: ADB and WWF. 2001. *Memorandum of Understanding on Working Agreements between the ADB and WWF*. ADB webpage on the collaboration: www.adb.org/hi/node/40650; WWF. 2013. *WWF-INT Annual Review 2014*. Gland, Switzerland.

APPENDIX

Referenced Projects

| Project Name | Project Number | Loan, TA, or Grant Number | Project Cost (\$ million) | ADB Financing (\$ million) ^a | Date of Approval | Status (as of December 2014) |
|--|----------------|---------------------------|---------------------------|---|------------------|------------------------------|
| Bangladesh | | | | | | |
| Developing an Inclusive Insurance Sector | 41671 | JFPR 9129 | \$2.0 | JFPR | 2009 | Active |
| Second Public-Private Infrastructure Development Facility | 42180 | Loans 3045/6 | \$190.0 | \$110.0 | 2013 | Active |
| Public-Private Infrastructure Development Facility | 40517 | Loans 2453/4 | \$578.0 | \$165.0 | 2008 | Active |
| Second Crop Diversification Project | 40534 | Loan 2649 | \$45.8 | \$40.0 | 2010 | Active |
| Secondary Towns Water Supply and Sanitation Project | 36297 | Loan 2265 | \$71.0 | \$41.0 | 2006 | Active |
| Small and Medium-Sized Enterprise Development Project | 36200 | Loan 2549 | \$126.7 | \$76.0 | 2009 | Closed 2014 |
| linked TA: Promoting Women's Entrepreneurship in Bangladesh | | RETA 6337 | | \$0.50 | | Closed |
| Sustainable Rural Infrastructure Improvement Program II | 40515 | Loan 2696 | \$92.5 | \$60.0 | 2010 | Active |
| linked JFPR: Support to LGED in Institutionalizing Women's Benefits from Rural Infrastructure Initiatives | | JFPR 7720 | \$0.5 | JFPR | 2010 | Active |
| Urban Primary Health Care Services Delivery Project, preceded by: | 42177 | Loan 2878 | \$81.4 | \$50.4 | 2012 | Active |
| Second Urban Primary Health Care Project | 36296 | Loan 2172 | \$90.0 | \$40.0 | 2005 | Closed 2014 |
| Bhutan | | | | | | |
| Advancing Economic Opportunities for Girls and Women | 44134 | JFPR 9155 | \$ 1.9 | JFPR | 2011 | Closed 2014 |
| (also see below: Improving Gender-Inclusive Access to Clean and Renewable Energy in Bhutan, Nepal, and Sri Lanka [regional]) | | | | | | |
| India | | | | | | |
| Livelihood Improvement for River Erosion Victims in Assam | 43069 | JFPR 9168 | \$2.5 | JFPR | 2012 | Active |
| associated loan: Assam Integrated Flood and River Erosion Risk Management Investment Program (MFF) | 38412 | Loan 2684 | | | | |
| Madhya Pradesh Energy Efficiency Improvement Investment Program (MFF) | 43467 | MFF | \$556.0 (MFF) | \$400.0 (MFF) | 2011 | Active |
| integrated grant: Enhanced Energy-Based Livelihoods for Women Micro-entrepreneurs | | Grant 7831 (TASF) | \$1.1 | \$1.0 (TASF) | | Active |
| North Karnataka Urban Sector Investment Program (MFF) | 38254 | MFF | \$440.0 (MFF) | \$270.0 (MFF) | 2006 | Active |
| Railway Sector Improvement Program | 36330 | MFF | \$1,115.0 (MFF) | \$500.0 (MFF) | 2011 | Active |

continued on next page

Table continued

| Project Name | Project Number | Loan, TA, or Grant Number | Project Cost (\$ million) | ADB Financing (\$ million) ^a | Date of Approval | Status (as of December 2014) |
|--|-----------------------------|---|----------------------------|---|----------------------|------------------------------|
| Nepal | | | | | | |
| Community-Managed Irrigated Agriculture Sector Project and additional financing | 33209 | Loan 2102 | \$38.6 | \$20.0 | 2014 | |
| | | Loan 3124 | \$38.3 | \$30.0 | 2014 | Active |
| Decentralized Rural Infrastructure and Livelihood Project | 38426 | Loan 2796 Grant 0267 | \$59.4 | \$18.0 \$7.0 | 2011 | Active |
| Gender-Focused Capacity Development in Clean Energy, attached to: Electricity Transmission Expansion and Supply Improvement Project | 41155 | Grant 7923 Loan 2808 | \$128.3 | \$0.25 (TASF) \$75.0 | 2011 | Active |
| Kathmandu Valley Water Supply Improvement Project | 34304 | Loan 2776 | \$130.0 | \$80.0 | 2011 | Active |
| Raising Incomes of Small and Medium Farmers Project | 38423 | Grant 0233 (ADF) | \$33.05 | \$20.1 | 2010 | Active |
| (see also Improving Gender-Inclusive Access to Clean and Renewable Energy Bhutan, Nepal and Sri Lanka [regional]) | | | | | | |
| Sri Lanka | | | | | | |
| Greater Colombo Wastewater Management Project and associated grant: Piloting Pro-poor and Gender-responsive Sanitation Options | 45148 41062 ² | Loan 2947/8 RETA 6422 ^b | \$112.0 | \$84.0 \$0.25 | 2012 2012 | Active Closed 2013 |
| North East Coastal Community Development Project (NECCDP) | 33249 | Loan 2027 | \$28.4 | \$20.0 | 2004 | Closed 2012 |
| Secondary Towns and Rural Community-Based Water Supply and Sanitation, including: Supplementary Loans Additional Financing | 31501 | Loan 1993 Loans 2275/6 Loans 2758/8 | \$86.3 \$93.2 \$19.6 | \$60.3 \$60.0 \$17.0 | 2003 2006 2011 | Closed Closed Active |
| (see also Improving Gender-Inclusive Access to Clean and Renewable Energy in Bhutan, Nepal and Sri Lanka [regional]) | | | | | | |
| Regional | | | | | | |
| Improving Gender-Inclusive Access to Clean and Renewable Energy in Bhutan, Nepal, and Sri Lanka | 44135 | JFPR 9158 | \$ 3.0 | JFPR | 2011 | Active |

ADB = Asian Development Bank, JFPR = Japan Fund for Poverty Reduction, LGED = Local Government Engineering Division (Bangladesh), MFF = multitranches financing facility, RETA = regional technical assistance, TASF = Technical Assistance Special Fund.

^a Figure for ADB financing is the loan amount, which in some cases is supplemented by a TA grant.

^b The TA was one subproject of the RETA.

Note: Details about each of the projects listed can be found on the ADB website (search by project number): www.adb.org/projects. For loans, the report and recommendations of the President to the Board of Directors is the document prepared for approval and provides background, justification, and an outline of the structure of the project at the planning stage. Most of the projects are still active, so information on results is not yet available online. Only two of the closed projects have a project completion report, which includes information on results and lessons learned.

How Does ADB Engage Civil Society Organizations in Its Operations?

Findings of an Exploratory Inquiry in South Asia

This publication reports the results of an exploratory study on civil society organization (CSO) engagement—particularly nongovernmental organizations (NGOs) and community-based organizations (CBOs)—in ADB operations. The focus is on South Asia and the starting point of inquiry is on 33 projects that illustrate the roles and forms of NGO and CBO engagement in Bangladesh, Bhutan, India, Nepal, and Sri Lanka. The report includes a section on ADB technical assistance and grant projects. Another section presents other potential areas of CSO engagement such as in project planning stages, development and evaluation of the sector and country partnership strategies, and corporate policy and strategy discussions. The concluding section puts forward challenges and areas of innovation that may be considered in collaborating with NGOs with the aim of enhancing the quality of ADB development efforts.

About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to the majority of the world's poor. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.



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