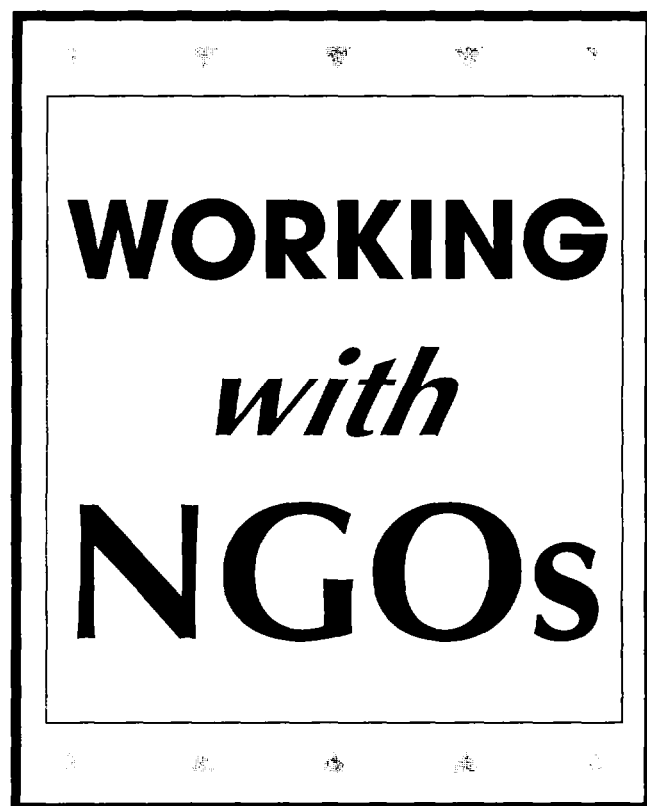


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A Practical Guide to Operational Collaboration  
between The World Bank and Non-governmental Organizations

Operations Policy Department, World Bank  
March 1995



# **WORKING WITH NGOs**

MARCH 1995

**A PRACTICAL GUIDE TO  
OPERATIONAL COLLABORATION  
BETWEEN THE WORLD BANK AND  
NON-GOVERNMENTAL ORGANIZATION**

BY  
**CARMEN MALENA**  
NGO UNIT, OPRPG  
WORLD BANK

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The purpose of this document is to flag key issues and describe emerging practices in the World Bank's operational collaboration with non-governmental organization (NGOs). It is intended as a practical guide to help Task Managers better understand both the benefits and challenges of working with NGOs.

The first three sections of the guide briefly introduce the development NGO sector, and outline why and how the World Bank works with NGOs. The fourth and final section identifies nine issues considered key to successful collaboration with NGOs. Case-studies are used to illustrate problems, best practices and lessons learned. A box at the end of each sub-section summarizes key points and, in some cases, indicates suggestions for further reading. Included in the annex are practical resources such as a sample methodology for conducting an NGO sector study, as well as sample NGO selection criteria, bidding documents and contracts.

This guide will be revised and updated over time and additional information and materials will be incorporated as they become available. Task managers and other Bank staff are encouraged to forward comments and suggestions to the NGO Unit of the Operations Policy Department (OPRPG). Contributions of case-studies, innovative practices and lessons learned which could be used to enhance future editions of the guide are particularly welcome.





# Summary of Key Points

## I. INTRODUCTION

- NGO is a broad term encompassing a wide array of diverse organizations.
- The World Bank defines NGOs as “private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services or undertake community development”.
- The World Bank collaborates with CBOs, national and international NGOs in a variety of different ways.
- Achieving the full potential benefits of NGO involvement implies enhanced roles for NGOs earlier on in the project cycle.

## II.WHY THE WORLD BANK WORKS WITH NGOs

- NGO involvement can contribute to the sustainability and effectiveness of Bank-financed projects by introducing innovative approaches and promoting community participation.
- NGOs can help expand project uptake and reach, and can facilitate greater awareness of diverse stakeholder views.

## III.HOW THE WORLD BANK WORKS WITH NGOs

- NGOs are active contributors to the Bank’s economic and sector work (ESW) and participate in lending activities from identification through to evaluation.
- Currently, NGO involvement is most frequent during implementation. Evidence shows, however, that NGOs can provide particularly valuable input during project identification and design.
- Where NGOs are expected to participate in implementation, they should also be consulted during design.

## IV.KEY ISSUES IN WORKING WITH NGOs

### A. Identifying an appropriate NGO partner

- Selecting an appropriate NGO partner involves: i) gathering information about the NGO sector; ii) establishing relevant selection criteria, and; iii) choosing a suitable selection process.
- Clear selection criteria should be established based on specific project needs.
- Organizational capacity should be assessed according to an NGO’s proven track record, not its stated goals.
- It is important to identify “capacity-building” needs and strategies.
- Maximum transparency should be ensured in the selection process.

**B. Time issues**

- Be prepared for possible extra staff/time needs early on in the project cycle.
- Be aware of potential time lags/delays and the risk they pose to participatory processes.
- Ensure NGOs have an adequate understanding of project time-frame and deadlines.

**C. Flexibility issues**

- Seek NGO/community input early on in the project cycle.
- Establish clear mechanisms for responding to local views and needs.
- Use mid-term review process to adapt project priorities/processes as necessary according to local input.
- In areas where NGOs have a recognized comparative advantage, take steps to maximize their institutional autonomy.

**D. Funding issues**

- NGOs are generally cost-effective. They should not, however, be viewed as a “low-cost alternative” to other types of implementing agencies.
- NGOs should not be expected to provide services free of charge or at lower than market rates (unless according to a co-financing agreement).
- Clarify the expected status of NGO involvement (e.g.: informal unpaid advisor, paid consultant, contractor, etc.) from the outset.
- Establish mutually acceptable fees and overhead costs.

**E. Procurement and disbursement issues**

- Use simplified bidding documents, where appropriate.
- Consider the use of alternative procurement practices.
- If necessary, make provisions for advance payments.
- Provide training for NGOs in procurement and disbursement procedures.

**F. NGO-Government relations**

- Consider conducting a state-NGO relations study.
- Keep in mind that government-NGO collaboration is not possible/desirable in all cases.
- Always seek government-NGO complementarity.
- Understand how government policies influence the NGO sector and, where possible, promote an enabling environment for NGOs.

**G. Importance of clearly defined roles and responsibilities**

- Share all relevant project documents with participating NGOs.
- Consider the appointment of an NGO liaison officer.
- Organize a government-Bank-NGO information-sharing workshop.

## **H. Contractual/legal issues**

- Adapt standard contract agreements as necessary to meet specific needs of NGOs/community groups.
- Write contracts in simple language.
- Consider using a Memorandum of Understanding or other alternative form of contract.

## **I. Capacity-building**

- Consult with NGOs on appropriate strategies to support their institutional development.
- Where appropriate, build a training component for NGOs into project design.
- Encourage partnerships between international and local NGOs.
- Promote networking and information-sharing among NGOs.



# I. INTRODUCTION

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## I. INTRODUCTION

Since the 1970s, operational collaboration with NGOs has become an increasingly important feature of Bank-financed activities. Growing collaboration with NGOs can be attributed to the expanding role and influence of the NGO sector generally, as well as increasing recognition within the World Bank as to the specific benefits which NGO involvement can bring to Bank-financed operations. Between 1973 and 1988, only six percent of Bank-financed projects involved NGOs. In 1993 over one third of all approved projects included some form of NGO involvement, and in 1994 this percentage increased to one half. These figures show the frequency of Bank-NGO collaboration, but give little indication of the quality or depth of that interaction. In many cases, the roles played by NGOs are quite minor and frequently limited to project implementation. Achieving the full potential benefits of NGO collaboration implies **enhanced** roles for NGOs **earlier** on in the project cycle.

Official advice or guidelines for operational staff who work or seek to work with NGOs is presently limited.<sup>1</sup> World Bank policies and procedures have been developed to allow the Bank to work effectively with its principal partners—borrowing governments and for-profit private sector firms. As NGOs are in many ways distinct from both government and the private sector, standard Bank operational guidelines are not always well-suited to effective NGO collaboration. As a result, while operational collaboration with NGOs brings many benefits to Bank work, it also raises a number of issues and challenges for operational staff. The purpose of this paper is to draw lessons from past experiences of collaboration between the World Bank and NGOs which may be of practical use to operational staff.

The paper is composed of four parts. Part I provides a general introduction to NGOs for those readers unfamiliar with the sector. Part II outlines the potential benefits which NGOs can bring to Bank-financed projects. Part III describes the specific roles which NGOs can play at various stages of the project cycle. Finally, Part IV identifies key issues faced by operational staff in working with NGOs and describes emerging practices.

**Definition**—The World Bank defines NGOs as “private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development”.<sup>2</sup> In wider usage, the term NGO can be applied to any non-profit organization which is independent from government. NGOs are typically value-based organizations

which depend, in whole or in part, on charitable donations and voluntary service. Although the NGO sector has become increasingly professionalized over the last two decades, principles of altruism and voluntarism remain key defining characteristics.<sup>3</sup>

**Categories of NGOs**—The term NGO is very broad and encompasses many different types of organizations. In the field of development, NGOs range from large, Northern-based charities such as CARE, Oxfam and World Vision to community-based self-help groups in the South. They also include research institutes, churches, professional associations and lobby groups. The World Bank tends to interact with two main categories of NGOs: i) *operational* NGOs—whose primary purpose is the design and implementation of development-related projects, and; ii) *advocacy* NGOs—whose primary purpose is to defend or promote a specific cause and who seek to influence the policies and practices of the Bank. The focus of this paper is operational collaboration, as opposed to policy dialogue with NGOs. As a result, the emphasis here will be on the first of these groups. It should be noted, however, that these two categories are not mutually exclusive. A growing number of NGOs engage in both operational and advocacy activities, and some advocacy groups, while not directly involved in designing and implementing projects, focus on specific project-related concerns.

**Operational NGOs**—The World Bank classifies operational NGOs into three main groups: i) *community-based* organizations (CBOs)—which serve a specific population in a narrow geographic area; ii) *national* organizations—which operate in individual developing countries, and; iii) *international* organizations—which are typically headquartered in developed countries and carry out operations in more than one developing country.<sup>4</sup> Throughout the 1970s and 1980s, most examples of World Bank-NGO collaboration involved international NGOs. In recent years, however, this trend has been reversed. Among projects involving NGO collaboration recorded in FY94, 40% involved CBOs, 70% involved national organizations and 10% involved international organizations.<sup>5</sup>

CBOs (also referred to as grassroots organizations or peoples' organizations) are distinct in nature and purpose from other NGOs. While national and international organizations are "intermediary" NGOs which are formed to serve others; CBOs are normally "membership" organizations made up of a group of individuals who have joined together to further their own interests (e.g.: women's groups, credit circles, youth clubs, cooperatives and farmer associations). In the context of Bank-financed activities, national or international



NGOs are normally contracted to deliver services, design projects or conduct research. CBOs are more likely to be the recipients of project goods and services. In projects which promote participatory development, grassroots organizations play the key function of providing an institutional framework for beneficiary participation. CBOs might, for example: be consulted during design to ensure that project goals reflect beneficiary interests; undertake the implementation of community-level project components; or receive funds to design and implement sub-projects. Many national and international NGOs work in partnership with CBOs—either channeling development resources to them or providing them with services or technical assistance. Such NGOs can play a particularly important role as “intermediaries” between CBOs and institutions such as the World Bank or government.

**NGO Typologies**—Individual operational NGOs vary enormously according to their purpose, philosophy, sectoral expertise and scope of activities.<sup>6</sup> A number of different NGO typologies exist. For example, NGOs have been classified according to whether they are more relief or development-oriented; whether they are religious or secular; whether they stress service delivery or participation and whether they are more public or private-oriented. Sources for further reading on NGO typologies are listed at the end of this section.

**NGO strengths and weaknesses**—Because the nature and quality of individual NGOs varies greatly, it is extremely difficult to make generalizations about the sector as a whole. Despite this diversity, some specific strengths generally associated with the NGO sector include the following:

- strong grassroots links;
- field-based development expertise;
- the ability to innovate and adapt;
- process-oriented approach to development;
- participatory methodologies and tools;
- long-term commitment and emphasis on sustainability;
- cost-effectiveness.

The most commonly identified weaknesses of the sector include:

- limited financial and management expertise;
  - limited institutional capacity;
  - low levels of self-sustainability;
  - isolation/lack of inter-organizational communication and/or coordination;
  - small scale interventions;
  - lack of understanding of the broader social or economic context.
- (Clark, 1991)

**Size and influence of the NGO sector** - Over the past several decades, NGOs have become major players in the field of international development. Since the mid-1970s, the NGO sector in both developed and developing countries has experienced exponential growth. From 1970 to 1985 total development aid disbursed by international NGOs increased ten-fold. In 1992 international NGOs channeled over \$7.6 billion of aid to developing countries. It is now estimated that over 15 percent of total overseas development aid is channeled through NGOs. While statistics about global numbers of NGOs are notoriously incomplete, it is currently estimated that there is somewhere between 6,000 (Gezelius and Millwood, 1991, p. 282) and 30,000 (Dichter, 1991, p. 69) national NGOs in developing countries. CBOs across the developing world number in the hundreds of thousands.

### KEY POINTS

- ☛ NGO is a broad term encompassing a wide array of diverse organizations.
- ☛ The World Bank defines NGOs as “private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services or undertake community development”.
- ☛ The World Bank collaborates with CBOs, national and international NGOs in different ways.
- ☛ Achieving the full potential benefits of NGO involvement implies enhanced roles for NGOs earlier on in the project cycle.

### FURTHER READING<sup>7</sup>

- ☛ David Brown and David Korten, *Understanding Voluntary Organizations: Guidelines for Donors*.
- ☛ Thomas Carroll, *Intermediary NGOs*.
- ☛ John Clark, *Democratizing Development*.
- ☛ Milton Esman and Norman Uphoff, *Local Organizations: Intermediaries in Rural Development*.
- ☛ David Korten, *Getting to the 21st Century: Voluntary Action and the Global Agenda*.

**II. WHY  
THE WORLD BANK  
WORKS WITH  
NGOs**

## II. WHY THE WORLD BANK WORKS WITH NGOS

## II. WHY THE WORLD BANK WORKS WITH NGOS

Operational Directive 14.70, entitled Involving NGOs in Bank-Supported Activities (See Annex II), states that “staff are encouraged whenever appropriate to involve NGOs, particularly local NGOs, in Bank-supported activities”. The World Bank’s interest in working with NGOs stems from experience which has shown that NGOs can contribute to the quality, sustainability and effectiveness of Bank-financed projects. For NGOs, collaboration in Bank-financed activities can represent an opportunity to scale-up their activities and extend their impact beyond the micro level. Again, it must be emphasized that the NGO sector is extremely heterogeneous. While many NGOs are credible, competent and enjoy strong community ties, others may be inexperienced, inefficient or stronger in rhetoric than in action. A well-chosen NGO partner engaged in an appropriate manner can bring the following contributions to Bank-financed activities:

**Innovation**—Given their small size and flexible nature, NGOs are generally well placed to develop and experiment with new approaches and innovative practices. Bank-financed projects have, on numerous occasions, incorporated or “scaled up” successful NGO innovations.

Oxfam’s program of “water harvesting” in Burkina Faso, for example, served as a model for Bank operations in soil and water conservation throughout the Sahel. In 1988, CARE Canada began a private sector development project in Peru, entitled *Tools for Development*, which involved the transfer of used equipment from firms in developed countries to small enterprises in the developing world. Impressed with the project’s success, staff from the Bank’s Private Sector Development Department

### Box 1

#### WORLD BANK SUPPORT OF NGO INNOVATION

In Ghana, the World Bank provided funds for TechnoServe, an international NGO operating there since 1971, to scale-up its community-based palm oil processing model. This model was initially developed by TechnoServe in 1986 in a pilot project in the village of Ntinanko then replicated, using assorted donor funds, in five other locations. Visiting Bank officials noted that the mills were highly efficient and ideal for permitting local communities to capture added value through the conversion of low-value, perishable palm fruits into high-value palm oil. Moreover, as the majority of palm oil processors are female, establishment of such mills was recognized as highly beneficial to rural women. Under a component of the *Ghana Agricultural Diversification Project*, TechnoServe is now implementing a five-year program to set up 60 community-owned and operated, fee-for-service palm oil processing enterprises throughout the oil palm growing regions of Ghana. This community-based agro-processing model has since been cited by the Government of Ghana as a model worthy of replication in a wide range of products.

are currently working with CARE and a number of local NGOs to establish similar programs in Ghana and Zimbabwe. A further example of Bank support of NGO innovation in the agro-processing field is described in **Box 1**.

**Participation**—Popular participation is increasingly recognized as an essential ingredient in achieving effective and sustainable development.<sup>8</sup> NGOs have played an important role in promoting participatory approaches in Bank-financed projects. In approximately two thirds of projects approved in recent years, the promotion of beneficiary participation was cited as the main rationale for seeking NGO involvement. For example, in Brazil, NGOs are helping to ensure that local people play an active role in the decision-making processes of the *Rondonia* and *Mato Grosso Natural Resource Management Projects*. These projects have built on lessons learned from the earlier controversial Polonoroeste project. In the context of education projects in Chad, Guinea, and Pakistan, NGOs have assisted in the formation of village-level education committees and facilitated active community participation in the construction and maintenance of primary schools. See **Box 2** for a description of the *Balochistan Primary Education Project* in Pakistan. While not **all** NGOs are participatory, NGOs typically work directly with local populations—promoting active beneficiary participation and stressing community ownership. Many NGOs offer experience in participatory project design and possess skills in areas such as participatory research, community mobilization, facilitation techniques and group dynamics.<sup>9</sup>

#### Box 2

##### PROMOTING COMMUNITY PARTICIPATION IN PAKISTAN

As a project preparation activity for the *Balochistan Primary Education Project* in Pakistan, the World Bank initiated a Community Schools Experiment. The main thrust of this pilot project was to promote local "ownership" of the project through the formation of Village Education Committees (VECs). Village representatives elected to this committee were responsible for overseeing the construction of a village school, hiring a teacher, monitoring school attendance, providing on-going support and maintenance etc. A local NGO, the Society for Community Support in Community Education in Balochistan, played a key role in facilitating the formation of VECs. This NGO was contracted to go door-to-door in target communities informing villagers about the project and assisting in the creation of VECs and the democratic election of VEC members. As the project focused on increasing girls' enrollment, the NGO discussed with parents the importance of girls' education and the hiring of a female teacher. Over the two years of the pilot project, 116 VECs were established and over 116 new schools were built. During a project review, it was discovered that female enrollment in participating villages was approximately 67% compared to 13% for Balochistan Province as a whole.

**Project Uptake**—NGOs which work directly with local communities can play an important role in transmitting project information to beneficiaries and enhancing the uptake of project benefits. For example, project demand was initially low in the *Trinidad and Tobago Population Project*. When the Trinidad Family Planning Association became involved, its two clinics—due to their direct contact and strong rapport with local communities—were able to recruit half as many new family planning acceptors as all of the public sector clinics combined. In the *Lusaka Squatter Upgrading and Sites and Services Project* in Zambia, staff from the American Friends Service Committee went door-to-door ensuring that all residents understood the upgrading options and the physical and financial responsibilities that would accompany them. Creative media techniques including plays, radio broadcasts and a live band were also used to inform residents about how to take full advantage of the upcoming project.

**Project Reach**—Extending project benefits to those who need it most is a challenging task. The poorest and most disadvantaged members of society are often the most difficult to reach—living in remote or transient situations and beyond the sphere of public service networks. NGOs (both CBOs based in poor communities and national organizations which work directly with vulnerable populations) have proved an effective (and sometimes the only) institutional link to such groups. In Burkina Faso, for example, NGOs were judged by a Bank appraisal team to be “more effective than the public sector in reaching target groups” and played a key role in establishing contact with high risk groups under the *Population and AIDS Control Project*. (**Box 3**) During the *Guatemala Earthquake Reconstruction Project*, FENACOAC, a federation of rural savings and loans cooperatives, channeled

**Box 3**

EXTENDING PROJECT REACH THROUGH NGO NETWORKS

NGOs have played an important role in introducing and expanding family planning services in Burkina Faso. One national NGO alone, the ABBEF (l'Association Burkinabé du Bien-Etre Familial) operates through a network of over 2,600 volunteers and 6 family planning clinics throughout the country. Due to weak government capacity in this sector, the Bank's current *Burkina Faso Population and AIDS Control Project* relies heavily on NGOs in the implementation of this project. NGOs will participate in soliciting the support of traditional practitioners who will be trained to diagnose sexually transmitted diseases and encouraged to refer patients to health facilities as necessary. The project also includes the establishment of a Fund which will provide grants to NGOs to carry out community education and condom distribution programs.

over \$3.7 million to villagers in the form of micro-enterprise loans. Due to its extensive network of rural members, FENACOAC was able to penetrate large numbers of dispersed communities much more effectively than government or private sector banks.

**Sustainability**—Past experience has shown that development sustainability is enhanced when communities play an active role in project activities. Working through CBOs is an effective means of building community ownership and ensuring a long-term institutional presence in the community once the project is over. National or international NGOs which are not locally-based will often make a long-term commitment to the communities they serve and can provide a source of stability and sustainability, especially where governments are weak or prone to change. Studies carried out by the Operations Evaluation Department (OED) have revealed a correlation between beneficiary participation/NGO involvement and improved project sustainability.<sup>10</sup>

**Consultation and “voice”**—NGOs have acted to encourage and facilitate direct consultation with project beneficiaries and affected parties and, in some cases, have represented these groups vis-à-vis government and the Bank. During preparation of the *Bangladesh Jamuna Bridge Project*, for example, the Bangladesh Rural Advancement Committee (BRAC) conducted a socio-economic survey of persons affected by the project, channeling information back to government officials. A second NGO, contracted to implement the resettlement plan, has taken on an informal “watchdog” role, bringing specific concerns to the attention of project authorities. In the *Itaparica Resettlement and Irrigation Project* in Brazil, NGOs assisted in ensuring that the views of approximately 8,100 displaced families were represented and that adequate compensation was provided. A locally-based NGO participated in negotiations with the San Francisco Valley Hydroelectric Company and was able to improve the offers being made to resettled families with regard to the size of housing units and wages to be paid under the guaranteed employment program.

**Alternative Perspectives**—The Bank is confronted with making decisions aimed at the “overall optimal good”. By offering a perspective which is unique from that of government or the private sector, NGOs can help to provide a more complete and balanced picture. NGOs have been particularly effective in drawing attention to environmental concerns and in bringing to the forefront the perspective of those whose political voice is weakest. Women, ethnic minorities and other groups who do not always enjoy equitable representation in formal



institutions often form NGOs in order to make their voices heard. Consulting and working through these groups can help to ensure that important issues related to gender, ethnicity, etc. are not over-looked in the development process.

**Box 4**

**NGOs RAISE ENVIRONMENTAL AND SOCIAL CONCERNS IN INDIA**

The *Sardar Sarovar Dam and Power Project* in India, informally known as the Narmada Dam project, is possibly the Bank-financed project which has sparked the most public controversy. NGO lobbying against the project centered on the displacement of local tribal groups. NGOs also criticized the project's environmental impact and the overall development model which they felt this project symbolized. Indigenous groups, national and international NGOs as well as research institutes, universities and media representatives became involved. As NGOs felt their concerns were not sufficiently addressed in the decision-making process, they began to agitate through demonstrations, publicity campaigns and pressure on the Bank to suspend funding. The major global campaign against the project which ensued became extremely time-consuming for Bank staff involved in the project who were obliged to respond to press articles, letters from NGOs and requests for information from politicians in developed countries, the public and the Bank's executive directors. In 1993, the Bank loan for this project was withdrawn at the request of the Indian government which is now completing the project on its own. NGO advocacy on this and similar projects, together with concerns of EDs and staff members, has contributed to the examination and modification of the Bank's environmental and resettlement policies. The Bank now encourages NGO participation in resettlement plans and requires consultation with affected groups and local NGOs in all environmental assessments.

NGOs and the Bank do not always agree on what constitutes good development. Some NGO critics are fundamentally opposed to the Bank and all that it does. Others, however, have raised specific project-related concerns based on their own field experience and contact with local populations and have shown a genuine interest in helping to correct potential problems. Experience has shown that, although such concerns are sometimes resented by Task Managers, they may be appropriate and accurate. It is important, therefore, that concerns submitted to the Bank by responsible NGOs with relevant local knowledge be taken seriously. It is useful to ensure that NGOs are accurately informed about the project in question and are given an opportunity to voice their views. In cases where local groups have raised issues or criticisms, it may be productive to formally include them in consultations and design decisions. When approximately sixty NGOs were denied participation in the redesign of an integrated rural development project in North East Brazil, they organized a

concurrent “parallel forum” to publicly express their views and those of beneficiaries. The Narmada Dam in India is one example of the difficulties which can arise when NGOs feel that their concerns have not been adequately addressed. (**Box 4**)

### KEY POINTS

- NGO involvement can contribute to the sustainability and effectiveness of Bank-financed projects by introducing innovative approaches and promoting community participation.
- NGOs can help extend project uptake and reach, and can facilitate greater awareness of diverse stakeholder views.

### FURTHER READING

- Michael Cernea, *Nongovernmental Organizations and Local Development*.
- William Nagle and Sanjoy Ghose, *Community Participation in World Bank-Supported Projects*.
- Samuel Paul, *Community Participation in development projects: The World Bank Experience*.

**III. HOW  
THE WORLD BANK  
WORKS WITH  
NGOs**

### III. HOW THE WORLD BANK WORKS WITH NGOS

#### A. NGO Roles in Economic and Sector Work

NGOs are active contributors to the Bank's economic and sector work (ESW), particularly in the environmental, social and poverty-related spheres. NGOs have participated in ESW both in the capacity of researchers/analysts and as stakeholders in the development process.

**Poverty assessments**—The World Bank is currently conducting poverty assessments in all borrowing countries. These assessments include: a poverty profile, an analysis of government policies and safety nets and a suggested strategy for poverty alleviation. In some countries, participatory poverty assessments (PPAs) are being carried out which elicit the views of poor people themselves on these topics. NGOs have played a role in a large number of PPAs including, among others, those carried out in Ghana, Benin, Madagascar, Guinea, Cameroon and Rwanda.<sup>11</sup> It is most common for some combination of academics, researchers, government staff and NGO staff to be involved. Due to their strong grassroots links and local language skills, NGOs have proved valuable partners in carrying out PPAs.

**National environmental action plans**—NGOs have played an important role in the preparation and elaboration of a number of national environmental action plans (NEAPs). In Kenya and Togo, NGOs were consulted along with government and private sector representatives in identifying priority problem areas, flagging principal obstacles, and outlining action strategies. In the case of Guinea, the NEAP was prepared entirely by a national NGO, judged by both government and Bank staff to be the best-suited organization for the task. (**Box 5**) Once a draft of the Sri Lanka NEAP was prepared, NGOs were invited to

##### Box 5

###### GUINEA NATIONAL ENVIRONMENTAL ACTION PLAN

In Guinea, the government officially designated a national NGO (Guinée Ecologie) to be responsible for the preparation of the country's NEAP. The work included several specific studies and surveys as well as the formulation of a concrete 10 to 15 year action plan. Both the government and the Bank have found the NGO's work satisfactory. A particular advantage of NGO involvement in this task is that due to Guinée Ecologie's strong community ties and participatory approach, all parties involved feel confident that the final product accurately reflects the needs and opinions of the country's people. This approach did require extra Bank staff time both in Washington and in the field. However, the Task Manager reports that it was worth the extra investment.

attend an open public meeting. The ability of smaller NGOs and community groups to participate was enhanced by translating a summary of the draft NEAP into local languages and by providing translation at the meeting.

**Benefits of NGO involvement in ESW**—NGOs were invited (along with government, donor and private sector representatives) to participate in workshops in Nairobi and Abidjan to discuss the *Forest Strategy Paper for Sub-Saharan Africa*. Aside from allowing NGO perspectives to be included in the strategy paper, these meetings helped to build consensus and commitment to the plan among key stakeholders. NGO involvement in the preparation of the *India Family Planning Strategy*, led to an analysis of government-NGO collaboration being included in the study and resulted in the drafting of specific operational guidelines for government-NGO collaboration in family planning. Including NGOs, governments and donors in the preparation of the *Morocco Women in Development Strategy Paper* ensured that a variety of perspectives were taken into account, and provided a valuable opportunity for exchange and dialogue among women's groups in the country. In the production of the *Brazil Women's Reproductive Health* sub-sector analysis, an "opposition" NGO was included in consultations. This led to a certain amount of conflict and debate but, in the end, differences were openly discussed and an environment for further collaboration was created. In the preparation of the *Zimbabwe Country Economic Memorandum*, a participating NGO helped to organize field visits and ensure that the mission had direct contact with the rural poor.

#### KEY POINTS

- As stakeholders, NGOs can provide alternative perspectives in the preparation of ESW.
- NGOs can provide support in conducting participatory ESW.
- Involving NGOs in ESW can promote consensus-building.

#### FURTHER READING

- Andrew Norton and Thomas Stevens, *Participation in Poverty Assessments*.
- Dan Aronson, *Participation in Country Economic and Sector Work*.

## B. NGO Roles in Lending Activities

The following table provides a summary of the specific roles which NGOs can play at various stages throughout the project cycle. Each of the tasks described below requires specific skills and competencies (e.g.: participatory methodologies, technical knowledge, etc.) and individual NGOs must be selected accordingly. Levels of NGO expertise vary significantly by country and by sector and, therefore, the ability of NGOs to fulfill the tasks described below must be verified on a case-by-case basis. Recommendations for selecting an appropriate NGO partner are outlined in Section IV.

NGO ROLES IN THE PROJECT CYCLE<sup>12</sup>

Stage in Project Cycle	Potential NGO Involvement
Project Identification	<ul style="list-style-type: none"><li>- provide advice/information on local conditions</li><li>- participate in environmental and social assessments</li><li>- organize consultations with beneficiaries/affected parties</li><li>- transmit expressed needs/priorities of local communities to project staff</li><li>- act as a source, model or sponsor of project ideas</li><li>- implement pilot projects</li></ul>
Project Design	<ul style="list-style-type: none"><li>- consultant to the government, to local communities or to the Bank</li><li>- assist in promoting a participatory approach to project design</li><li>- channel information to local populations</li></ul>
Financing	<ul style="list-style-type: none"><li>- co-financier (in money or in kind) of a project component</li><li>- source of funds for activities complementary to the proposed Bank-financed project</li></ul>
Implementation	<ul style="list-style-type: none"><li>- project contractor or manager (for delivery of services, training, construction, etc.)</li><li>- promote community participation in project activities</li><li>- financial intermediary role</li><li>- supplier of technical knowledge to local beneficiaries</li><li>- advisor to local communities on how to take advantage of project-financed goods or services</li><li>- implementor of complementary activities</li><li>- beneficiary of an NGO funding mechanism established by the project</li></ul>
Monitoring and Evaluation	<ul style="list-style-type: none"><li>- NGO contracted to monitor project progress or evaluate project results</li><li>- facilitate participatory monitoring and evaluation</li><li>- independent/unsolicited monitoring and evaluation</li></ul>

**Project identification**—During project identification, NGOs who are familiar with the area and enjoy links with local groups can provide valuable information about local conditions and community priorities. During the identification mission of the *Egypt—Matruh Natural Resource Management Project*, Bank staff held informal discussions with NGOs working in the project area, finding them to be an excellent source of information about social, cultural and environmental conditions. In numerous cases, NGOs have provided project ideas, or existing NGO projects have served as a model for Bank-financed activities. The decision to introduce a poultry production component into the *Turkey Fifth Livestock Project*, for example, was made after Bank staff visited a NGO poultry project in the Tarsus region of the country. Impressed with the success of the project, the Bank mission designed a project component based on the NGO model and then encouraged the government of Turkey to contract the NGO for its implementation. The resulting poultry production component, which provided technical and financial assistance to some 800 farmers in 12 regions of the country, was recognized as one of the most successful aspects of the project.

**Project Design**—If NGOs are expected to participate in a Bank-financed project in a significant way, it is important that they have a say in the design of the project and in defining the terms of their involvement. Although numbers have risen in recent years, still only about half of projects involving NGOs approved in FY94 included NGO input during project design. In cases such as the *Philippines Health Development Project*, NGO involvement in project design was considered a crucial factor in achieving “quality at entry” and successful implementation. There are hundreds of health-oriented NGOs in the Philippines, many serving the poorest members of society. The project aims to build partnerships between NGOs, local governments and the Department of Health. NGOs identify groups which are unserved or underserved, communicate the specific health needs of poor households to government authorities and assist communities in preparing funding proposals for activities such as improved water supply, nutritional supplements and latrine construction. NGOs’ active involvement during design was essential in defining effective and operational partnerships. Upstream NGO involvement has also been a key factor in the design and implementation of the *Ghana Second Health and Population Project*. (**Box 7**)



**Box 7****Upstream NGO Involvement in the Ghana Second Health and Population Project**

NGOs play a significant role in the health sector in Ghana and were actively involved throughout the *Ghana Second Health and Population Project*. NGOs assisted in the identification of project components, contributed to project design and participated along with the government in project negotiations. In the regions targeted by the project, it was discovered that all existing district hospitals were being managed by NGOs. As they would be the principal recipients of project benefits, their active participation in project design was considered crucial. Also NGO-run hospitals were recognized to be more efficient than government-run facilities (both in terms of staffing and other costs) and it was hoped that their involvement would provide lessons which could be more widely applied. The only operative medical equipment maintenance system outside of the country's two major cities was also being run by an NGO—the National Catholic Secretariat. In order to learn from their experience, the NGO was invited to participate in the elaboration of this element of the project. NGO staff is also involved in implementing and monitoring the installation, repair and maintenance of medical equipment in district hospitals. Other NGO involvement in the project includes the provision of family planning services and the training of Ministry of Health workers. Formally established NGO-Ministry of Health arrangements will serve as models for other regions and sectors.

In the case of Category A projects (projects involving significant environmental impacts and requiring a full Environmental Assessment), Operational Directive 4.01 prescribes consultation with affected groups and NGOs during at least two stages of the Environmental Assessment process: i) during the preparation of terms of reference for the assessment, and; ii) once a draft assessment report has been prepared. Consultation over the course of the Environmental Assessment is also encouraged and is happening in an increasing number of projects. The consultations and their results should be documented in the assessment itself and in the project Staff Appraisal Report.

**Financing**—Normally NGOs are hired as consultants or implementing agencies. In projects such as the *Bolivia Integrated Health Development Project*, however, NGOs have contributed their own time, resources and/or facilities and have thus been considered as project co-financiers. In a few rare cases, large international NGOs or foundations have made cash contributions towards Bank projects. In 1989, Rotary International transferred \$15 million to the Bank—the largest grant ever received from an NGO—to assist in the construction of a state-of-the-art polio vaccine production facility in China. Construction of the plant, expected to be operational by 1996, is

supervised jointly by the Ministry of Health, the Bank and Rotary. NGOs have also independently financed activities which complement or enhance the impact of Bank-financed projects. In Brazil, for example, NGOs purchased TV sets for a number of pre-schools in order to ensure that children would have access to the educational programs funded through the Bank's *Innovations in Basic Education Project*.

**Implementation**—NGO involvement in project implementation is the most frequent form of Bank-NGO operational collaboration. The specific roles played by NGOs have included project management, service delivery, training and community development. As contractors/service deliverers, NGO involvement has been particularly valuable in situations where government and/or private sector capacity is weak. In the *Sierra Leone Eastern Agricultural Development Project III*, for example, CARE was contracted to implement a road construction component when it was recognized that government lacked the capacity to do so. CARE had considerable experience in building feeder roads and already possessed some of the necessary equipment. NGOs' most substantial involvement in project implementation has been in the context of the numerous Social Funds (SFs) supported by the Bank.<sup>13</sup> (**Box 8**)

## Box 8

### Social Funds

Social Funds (SFs) are one mechanism whereby World Bank funds are channeled to NGO sub-projects. A SF is a demand-driven, multisectoral fund that finances small, grassroots development subprojects aimed at improving poor people's access to social services, employment opportunities and income-generating assets. Such funds are often established in conjunction with economic recovery programs to help mitigate the effects of adjustment on the poor and vulnerable. A large number of the subprojects financed by SFs are designed and implemented by NGOs and in many cases NGOs are involved in design and administration of the SF itself. SF-type projects have been implemented in a large number of countries including Bolivia, Ecuador, Guatemala, Haiti, Honduras, Nicaragua, Peru, Venezuela, Burundi, Egypt, Guinea, Mali, Sao Tome and Principe, Senegal, Somalia and Zambia.

**Monitoring and Evaluation**—NGO involvement in the monitoring and evaluation of Bank-financed projects has become increasingly common in recent years. In the *Paraguay Caazapa Rural Development Project*, for example, local NGOs were contracted to monitor the status of indigenous communities throughout project implementation. The environmental assessment for the *Ecuador Lower Guyanas Flood Control Project* (carried out in close collaboration with local environmental NGOs) recommended that specific protective

measures be incorporated into project design. To ensure that these measures are adhered to and that governmental commitment remains constant, local NGOs have been invited to participate in a consultative group which will monitor the implementation of EA recommendations.

#### Box 9

##### Conducting a "Social Audit" in Argentina

Maternal and child mortality rates are high in Argentina compared to neighboring countries of similar levels of development. In 1991, Argentina's Ministry of Health and Social Action introduced the *National Maternal Health and Child Health and Nutrition Program* and in 1993 the Bank made a loan to Argentina to support the Ministry's efforts. Two large national NGOs—CARITAS and the Red Cross (selected according to their past experience and national coverage) are involved in the program. One of their key roles is to participate in the design and implementation of a "social audit". The audit will use participatory mechanisms to evaluate the accessibility and quality of existing services and to obtain feed-back from beneficiary communities as to how effectively the project is responding to their needs and how it could be improved. The objectives of the audit are to enhance project effectiveness and efficiency by i) creating mechanisms for community participation and feed-back; ii) identifying problems/shortcomings early on and making necessary modifications, and; iii) guaranteeing transparency in project implementation and monitoring. A secondary objective of the audit is to strengthen the capacity of participating intermediary NGOs and community-based organizations. The design phase of the audit included training workshops and human resource development activities for NGOs.

#### KEY POINTS

- NGOs participate in Bank-financed projects from identification through to evaluation.
- NGOs can be valuable sources of local knowledge during project identification and design.
- If NGOs are expected to participate in implementation, they should be consulted during design.

#### FURTHER READING

- Lawrence Salmen and Paige Eaves, *World Bank Work with Nongovernmental Organizations*.
- Julie Van Domelen, "Working with NGOs" in S. Jorgenson et. al., *Bolivia's Answer to Poverty, Economic Crisis and Adjustmt: The Emergency Social Fund*.
- World Bank, *Cooperation between the World Bank and NGOs: Progress Report*.
- J. Kearns and J. Edgerton, *Participatory Project Planning*.



## **IV. KEY ISSUES IN WORKING WITH NGOs**

#### IV. KEY ISSUES IN WORKING WITH NGOS

The above sections have outlined the benefits which NGO collaboration brings to Bank-financed projects and the specific roles which NGOs can play throughout the project cycle. The following section discusses the challenges of working with NGOs and flags some key operational issues which must be addressed in order to achieve effective collaboration.<sup>14</sup>

#### A. Identifying an appropriate NGO partner

Perhaps, the most important ingredient for successful NGO collaboration is the identification of an appropriate NGO partner. Selecting an appropriate NGO involves: i) gathering information about the NGO sector, ii) establishing relevant selection criteria and iii) choosing a suitable selection process.

##### i) Gathering information about the NGO sector

**NGO directories/databases**—A large body of information is available concerning NGO activity in specific countries, regions or sectors. A useful starting point for Task Managers who are unfamiliar with the NGO sector is the NGO database maintained by OPRPG. This database contains information on over 8,000 NGOs world-wide which can be identified according to country of origin, geographic coverage or sectoral specialization. The NGO Unit of OPRPG also maintains a library containing NGO directories and sector studies from a large number of developing countries. (See Annex III for a description of informational resources available from the NGO Unit, OPRPG.) A growing number of universities, research institutes, international donors and foundations have NGO resource centers or maintain an NGO database. Task Managers have sometimes found these a valuable source of supplementary information. Within borrowing countries, studies and directories are frequently available from NGO umbrella organizations, local offices of multilateral, bilateral and other donors (e.g.: UNICEF, UNDP, Ford Foundation) or from the government ministry responsible for NGO liaison. Some resident missions also keep NGO directories on file.

**Key informants**—The limitation of NGO directories is that they rarely provide qualitative information about the capacity and track record of individual NGOs and, due to the dynamic nature of the NGO sector, they are quickly out-dated. Interviews with key informants such as national and international NGO umbrella organizations,

relevant government departments, in-country bilateral or multilateral representatives, international donors and foundations, academics, resident mission staff and NGOs themselves can provide useful and timely information regarding which organizations are most active and respected. Cross-checking information with more than one source helps to ensure validity.

**Sector reports**—Bank sector studies represent another potential source of information about NGOs. In Colombia, for example, a study entitled *NGOs and Poverty Alleviation* (FY89) was undertaken with the dual objectives of assessing the Colombian NGO sector and identifying a number of NGOs as possible collaborators in Bank operations. Similarly, a recent *Zambia Gender Issues* study (FY94) included a listing of donors and NGOs active in this area and an assessment of their institutional capacity. One of the most comprehensive NGO sector studies undertaken by the Bank was conducted in Uganda (financed through the SPPF and a grant from GTZ).<sup>15</sup> The objectives of this study were to: establish a profile of the NGO sector in Uganda, assess their effectiveness and efficiency, review factors facilitating/impeding their work and examine their potential for scaling up. The methodology used in the preparation of this sector profile is included in Annex IV.

**Project reports**—NGO sector profiles are sometimes undertaken as a project preparation activity. During preparation of the *Nepal Rural Water Supply and Sanitation Project*, for example, an international NGO with a long history of working in the country was contracted to establish a profile of NGOs active in this sector.<sup>16</sup> NGO sector studies have also been carried out in the context of the *Brazil North East Rural Development Project*, the *Egypt Emergency Social Fund*, and the *Tajikistan—Reconstruction Project* (using a grant from the Participation fund).

## ii) Selection criteria

Sample lists of criteria used in selecting NGOs for the *Peru Basic Health and Nutrition Project* and the *Burkina Faso Food Security and Nutrition Project* are included in Annex V. A field checklist and scoring system for assessing CBOs is found in Annex VI. In selecting individual NGOs for collaboration in Bank-financed the following factors should be taken into account:

**Credibility/Legal status**—Verification of an NGO's legitimate legal status is important, but not sufficient in confirming the organization's



credibility. Informal consultations with donors or other NGOs will usually quickly reveal groups which have been created primarily to receive foreign funds, which have a history of mismanagement, or which lack legitimate grassroots links. In order to ensure accountability, Task Managers should verify that NGOs understand and practice sound accounting principles and that (where applicable) they have no objection to external auditing. In the case of social fund-type projects, the introduction of outside funds runs the risk of stimulating a proliferation of new groups whose main goal is to gain access to available resources. In order to avoid such problems, some projects have established a requirement that participating NGOs have at least one year's operational experience.

**Representativity**—The closeness of an NGO's ties to local communities and the extent to which beneficiaries consider the NGO a legitimate representative of their interests is an important criteria—both for CBOs and for national and international groups. In the case of membership organizations, it is important to consider what sectors of society are included/excluded and whether all members enjoy equal representation. Does a community association include both men and women? Does a women's group include poor, landless and ethnic women? An assessment of the representativity of national and international organizations should consider the level of accountability to local communities, structures to reach and consult with target groups, democratic and inclusive decision-making and responsiveness to beneficiary interests. In many cases, operational collaboration with the Bank will require an NGO to expand its activities beyond the specific geographic area where it has been working. Task Managers should recognize that establishing community ties and building mutual trust is a long-term process. Projects involving the creation of new groups or the extension of NGO activities into areas where they have had no previous contact, should take this into account.

**Specific competencies**—The strengths and competencies of individual NGOs vary enormously. NGOs may have a specific sectoral or geographic specialization. They may focus on participatory techniques, service delivery, or both. It is therefore essential to determine which types of skills are required for the specific task at hand and to choose an NGO accordingly. In the *Bangladesh Second Road Rehabilitation and Maintenance Project*, specific criteria were developed in order to select an NGO whose role would be to share information with project beneficiaries, represent beneficiaries' interests in disputes with authorities and consult affected parties in the production of a resettlement action plan. In addition to adequate

human resources and technical expertise, NGOs were required to demonstrate familiarity with the project area, an established track record in grassroots interventions, and credibility with local populations. In the end, only one NGO expressing interest in the project was found to meet the necessary requirements. A common mistake is to select an NGO which is competent at one type of task to do another. The *Cameroon Western Highlands Rural Development Project*, for example, selected the *Union des Coopératives de Café Arabica de l'Ouest (UCCAO)* as a project implementing agency, based on the organization's efficient management and its broad coverage of farmers in the project area. Success of the collaboration was limited, however, since *UCCAO*'s institutional expertise was to market coffee, not to implement rural development projects.

**Institutional capacity**—It is important to verify that an NGO which is technically competent also has the required institutional capacity to meet project needs. This includes adequate staff, sound internal management, financial stability, sufficient facilities, equipment, vehicles, etc. With the exception of a few large international and national NGOs, the scale of NGO interventions is typically very small. What might appear a minor role to a Task Manager may represent a major undertaking to the selected NGO. Even when NGOs are optimistic about their ability to “scale-up”, careful consideration should be given to proposals for collaboration which significantly exceed the scale of an NGO's past activities. Involving NGOs in a pilot activity can provide an opportunity to better assess their institutional capacity. In some cases, “capacity-building” activities have been built into the project cycle in order to strengthen the scale and capabilities of existing NGOs (see Section I).

**Proven track record**—An assessment of NGO capacity should be based not on the organization's stated goals and interests but on its proven track record. Where possible, information provided by the NGO about its past activities and impact should be cross-checked with other sources. The most effective way of evaluating an NGO's track record can be to consult those most directly affected by the NGO's activities. In the *Zambia Social Recovery Project*, for example, beneficiary assessments were carried out to assess the effectiveness of NGO activities. An NGO's level of past experience in working with the Bank, government or other international donors is another factor which might be taken into account.

**Relationship with government**—An NGO's relationship with government is a final factor which can be key to successful collaboration.

State-NGO relations are complex and are discussed in more detail in Section IV.F. As a general rule, collaboration should be limited to NGOs which are non-political and do not engage in overt partisan political activities. Collaboration with NGOs that are considered opponents of the state can be problematic, as can collaboration with “GONGOS” (“government NGOs”) which are effectively a creation of government and do not represent any independent constituency.

### iii) Selection process

**Transparency**—The manner in which NGOs are identified and selected for Bank-financed activities varies widely. In some cases, individual NGOs initiate collaboration by contacting the Task Manager or borrowing government directly. Alternatively, NGOs have been selected on a sole-source basis or have been invited to participate in a competitive bidding process. Although it is sometimes desirable to identify particular NGOs for specific tasks, efforts should be made to keep the selection of NGOs as democratic and transparent as possible—in order to ensure efficiency and fair competition, and also to avoid the inadvertent exclusion of NGOs which are smaller, remote or do not enjoy direct links to Bank or government staff.

**Local v. international NGOs**—Working through locally-based NGOs can be advantageous for a number of reasons: it contributes to the long-term development of the local NGO sector, it helps maximize the use of local labor and resources and is generally cost-effective. In cases where local NGO capacity is weak, however, collaboration with international NGOs may be the best alternative. Many international NGOs work with and through local NGO partners and can, therefore, play a valuable role as “intermediaries” between the Bank/government and smaller local organizations. The decision to work with local or international NGOs will depend upon the country situation and the particular needs of the project. In the case of the proposed *Ethiopia Social Rehabilitation and Development Fund*, there was some pressure to limit access to local NGOs only, based on the argument that they had closer ties to local communities. Ultimately, instead of excluding international NGOs, selection criteria were established which required that *all* participating NGOs demonstrate sensitivity to local needs and acceptability to the communities concerned.

**Using umbrella groups as intermediaries**—Identifying an appropriate partner can be a time-consuming process. In cases such as the *Mali National Environmental Action Plan*, responsibility for screening and selecting NGOs was entrusted to a national NGO federation, thus

**Box 10****DELEGATING THE TASK OF NGO SELECTION TO  
A NATIONAL UMBRELLA ORGANIZATION**

The Bank was able to identify NGOs interested in participating in the preparation of *Mali National Environmental Action Plan* by working through a Malian federation of NGOs (the Comité de Coordination des Actions des ONGs). In the preparation of the NEAP, the Bank felt that local-level environmental assessments could best be carried out by local NGOs that were familiar with specific regions and enjoyed a trusting relationship with local communities (both rural and urban). The federation was given responsibility for coordinating this task. Using explicit selection criteria outlined by the Bank, the federation has been contracted to identify, screen and provide training to approximately 20-30 NGOs. These NGOs will conduct participatory environmental assessments in their specific region of the country. Findings will then be submitted to the federation to be compiled into one final report.

freeing Bank staff of the task of identifying 20-30 NGO with relevant sectoral and regional experience. (**Box 10**) When working through an intermediary organization, however, care must be taken to ensure that the group is considered objective and representative by the NGO sector. For example, problems were encountered in the *Togo Grassroots Development Initiative* when it was discovered that the NGO federation selected to assist in developing the project legitimately represented only about one half of the country's NGOs. Not wanting to be excluded from the project, non-members formed their own alternative federation, claiming to be more legitimate and representative than the first.

**KEY POINTS**

- Consider conducting an NGO sector study during project preparation.
- Establish clear selection criteria based on specific project needs.
- Assess capacity according to an organization's proven track record, not its stated goals.
- Consider possibilities for capacity-building.
- Ensure maximum transparency in selection process.

**FURTHER READING**

- World Bank, *Republic of Uganda: The Role of Nongovernmental Organizations and Community-Based Groups in Poverty Alleviation*.

## B. Time Issues

**Extra staff-time up-front**—Past experience has shown that projects with NGO collaboration may require the investment of extra time and/or staff resources early on in the project cycle. Adequate resources for tasks such as disseminating project information, identifying appropriate NGO partners and defining specific NGO roles and responsibilities should be taken into account when planning identification and appraisal missions. In the case of projects which foresee substantial NGO involvement, it may be desirable for an NGO advisor or a consultant familiar with the NGO sector to undertake these tasks. The NGO Unit of OPRPG maintains a roster of consultants with NGO experience. Alternatively, NGO advisors from the NGO Unit of OPRPG or from regional technical departments may be available to provide cross-support. (Contact the NGO Unit, OPRPG for further information).

**Extended field presence**—It has been found that projects with substantial NGO involvement may require a staff presence on the ground beyond the typical two week mission. In the *Yemen Second Education Project*, a consultant was hired to spend three months in the field thus allowing him to establish close ties with NGOs, ensure mutual understanding of project goals and work out a number of operational difficulties. An extended staff field presence was also identified as a major factor of success in the *Zambia Social Recovery Project*. (Box 11)

### Box 11

#### NGO COLLABORATION IN ZAMBIA'S SOCIAL DEVELOPMENT

In Zambia, NGOs have a history of working with government on poverty-related projects and organizations such as UNICEF have established procedural precedents for government-multilateral-NGO collaboration. A staff member from the Bank's NGO Unit joined the identification mission of the *Zambia Social Recovery Project*, during which the GOZ agreed to a project involving NGOs in small scale infrastructural and social services sub-projects. An NGO Forum was established to represent the views of NGOs and to discuss implementation strategies, administrative procedures and funding mechanisms. An important factor in ensuring effective liaison with NGOs during the planning stage was the extended presence of a consultant sensitive to NGOs who lived in-country for three months to work out operational details and to maintain close contact with the NGO community.

**Administrative and bureaucratic delays**—Many NGOs have commented that the most difficult aspect of working with the Bank and government is dealing with bureaucratic procedures and delays. Although time-lags and delays are a reality which all implementing

agencies face, they can be particularly detrimental to projects promoting participatory processes. Once communities have been mobilized and development “demand” created, delays in the delivery of goods and services not only break momentum and dampen enthusiasm, but can also lead to a loss of credibility for the participating NGO. In order to minimize problems resulting from time-lags, it is important to ensure that NGOs have a realistic understanding of the project’s expected time-frame from the outset (including estimated lag-time between approval and implementation, typical time required for procurement and disbursement procedures, etc.).

**Short-term versus long-term goals**—Some projects with NGO involvement have experienced a tension between short-term project goals and long-term community development goals. In the *Zambia Squatter Upgrading Project*, for example, two NGOs became involved with the specific purpose of promoting active beneficiary participation with a view to long-term community development. Although this approach was agreed to in principle, Bank staff, who were concerned with meeting project deadlines, stipulated in the final agreement that if the collective self-help approach interfered with the predetermined project schedule contractors would be employed to carry out the work.<sup>17</sup> The PCR for this project states that although NGO activities were “widely acknowledged to have contributed to the success of the project and the establishment of the basis for ongoing progressive development...the Banks’ relatively short project cycle was not entirely compatible with the longer horizon on which the other donors’ objectives are operationalized”.<sup>18</sup>

#### KEY POINTS

- Be prepared for possible extra staff/time needs early on in the project cycle.
- Be aware of potential time lags/delays and the risk they pose to participatory processes.
- Ensure NGOs have an adequate understanding of project time-frame and deadlines.

## C. Flexibility Issues

A commonly cited comparative advantage of NGOs is their “flexibility”. One facet of this flexibility is responding to local needs and priorities rather than imposing a pre-determined development program; another is adapting activities on an on-going basis according to changing circumstances and lessons learned. Although it is sometimes argued that NGO collaboration will bring increased flexibility to Bank-financed activities, the reality is that once NGOs enter into formal collaboration with the Bank or government, they frequently find that their own capacity to operate in a flexible manner is restricted.

### Box 12

#### ELICITING AND INCORPORATING LOCAL VIEWS IN THE PHILIPPINES

In designing a protected parks program in the Philippines, the government and Bank sought to take into account the rights of indigenous peoples who were dependent upon the natural resources of the identified areas. The Philippine government passed legislation recognizing the tenure and livelihood rights of indigenous communities located within the proposed park areas. During project design, local NGOs facilitated lengthy consultations with indigenous communities. These resulted in substantial modifications to the original program. Local management boards representing indigenous interests were given primary authority to determine appropriate trade-offs between environmental protection and safeguarding the livelihoods of local inhabitants. A project component to support alternative income-earning options was introduced. When the indigenous population of one of the four major areas expressed strong resistance, the government and Bank agreed to choose an alternative site.

*Source: World Bank, 50th Anniversary: Working with NGOs, 1994.*

**Responding to local needs**—NGOs can play an important role in eliciting the views of local people and communicating their expressed needs and priorities to project staff. This information is only useful, however if it comes early enough on in the project cycle to influence project objectives and goals and, if project staff is willing and able to adapt the project accordingly. NGO involvement, in and of itself, is no guarantee that a project will be more “flexible”. NGOs can facilitate an enhanced awareness of local needs. This, however, will have little impact unless appropriate project mechanisms are in place to ensure that local feed-back is incorporated and acted upon. (**Box 12**)

**Upstream involvement/partnership**—The most successful examples of Bank-NGO collaboration are those in which NGO involvement comes early on in the project cycle and NGOs are treated as *partners* in the development process, not simply as hired contractors or service delivery agencies. Partnership implies: consultation concerning

development objectives and goals, mutual transparency and shared decision-making. Many of the comparative advantages associated with NGOs are directly linked to their unique approach to development. Unless NGOs are allowed to contribute to development planning and apply their own strategies and processes, the potential benefits of NGO collaboration will not be realized. In areas where NGOs are judged to possess clear comparative advantages (e.g.: in projects emphasizing beneficiary participation, community mobilization and poverty alleviation), it can be most effective to introduce mechanisms which allow NGOs to design and implement their own programs.

**Project modifications**—Once a Bank loan becomes effective, it can be complicated and time-consuming to make any substantial modifications to the project. Even a revision of project budget categories can be an arduous process. In some cases of Bank-NGO collaboration, participating NGOs accustomed to working in a “flexible” manner have become frustrated when their attempts to introduce mid-course changes or corrections have been refused. Creative Task Managers have found ways to permit mid-course adaptations and even revise project priorities when deemed necessary. For example, credit agreements have been written in such a way that allows project priorities to be “restructured” within certain budget categories. Mid-term reviews have also been used to “re-orient” project priorities, in some cases going so far as to modify the credit agreement.

**Flexibility in timing**—For communities to “own” the development process they must be allowed to establish and control the pace of project activities. NGOs generally establish their project schedule in collaboration with beneficiaries and allow for flexibility in deadlines and sequencing. For this reason, Bank-financed projects involving NGO and/or community participation have tended to require more flexibility in terms of timing than is generally allowed for in “non-participatory” projects.

#### KEY POINTS

- Seek NGO/community input early on in the project cycle before goals and priorities are finalized.
- Establish clear mechanisms for responding to community input.
- Use mid-term review process to adapt project priorities/ processes as necessary according to local input.
- In areas where NGOs have a recognized comparative advantage, take steps to maximize their institutional autonomy.



**Cost-effectiveness of NGOs**—The low cost of NGO participation is cited as an advantage in Operational Directive 14.70 and is often mentioned as a rationale for working with NGOs. In the case of the *Second Liberia Education Project*, for example, CARE constructed primary schools at a cost estimated to be 30 percent less than for-profit contractors. Overall, however, the record is mixed and there is no reliable empirical evidence to show that NGOs implement projects at a lower cost than other agencies. In fact, by investing resources in participatory approaches, emphasizing the development of long-term sustainable systems and extending reach to marginal areas, projects with NGO involvement may prove more expensive in the short term. Long-term cost-effectiveness must be assessed according to the quality and sustainability of NGO interventions, not only their direct costs.<sup>19</sup>

### Box 13

#### IDF GRANT FOR TECHNICAL ASSISTANCE TO INDIGENOUS ORGANIZATIONS IN BOLIVIA

In Bolivia, an IDF grant of \$117,000 was used to develop the management skills and institutional capacity of indigenous organizations. This grant recognized the importance of overcoming the structural obstacles which have traditionally impeded the flow of development benefits to indigenous peoples and prevented their direct participation in Bolivia's development process. The grant financed an initial consultation with members of indigenous organizations to identify the social needs of their people, followed by a series of workshops and practical training in project management, accounting, financial procedures, communication negotiation skills, etc. A participatory monitoring and evaluation system was put in place to assess the impact of the workshops on indigenous organizations. Organizations participating in the training program included, among others: Asamblea del Pueblo Guaraní, Central de Pueblos Indígenas de Beni, Central Indígena Regional de la Amazonía Boliviana and Federación de Ayullas del Norte de Potosí. The activities undertaken with the grant to contribute to the government's and the Bank's overall objectives of supporting poverty alleviation, indigenous socio-economic development, protection of the environment and institutional strengthening. A similar program was also carried out in Chile with an IDF grant of \$68,000.

**Models of financing NGO collaboration**—The World Bank does not directly fund NGOs.<sup>20</sup> The most common way for an NGO to receive project funds is as a paid consultant or contractor to the borrowing government or to the Bank. During project preparation, the Bank sometimes makes small grants to NGOs from its administrative budget to fund studies and consultations. Sources of financing for NGO involvement in operations include: loan proceeds,

consultancy trust funds, the Project Preparation Facility, the Institutional Development Fund, the Global Environment Facility and supervision budgets. **(Box 13)** In some cases, NGO activities are funded by co-financing from other bilateral, multilateral or international NGO donors. In a micro-enterprise development project in Pakistan, for example, a

separate \$2.8 million grant from the Netherlands provided direct funding to NGOs. Frequently, as in the *Uganda Forestry Rehabilitation Project*, a combination of different financial arrangements are used to fund NGO involvement. **(Box 14)**

#### Box 14

##### FINANCING NGO INVOLVEMENT IN THE UGANDA FORESTRY REHABILITATION PROJECT

CARE, a U.S.-based international NGO was contracted as the executing agency for the farm forestry component of the *Uganda Forestry Rehabilitation Project*. CARE had worked successfully with the Forestry Department in the past, encouraging the development of "self-help" nurseries, providing technical assistance and eventually transferring responsibility on to the Ministry. Besides the regular contractual agreement between the GOU and CARE for the execution of the farm forestry component, the government also transferred advance funds from the Special Project Preparation Facility to CARE to allow it to carry on its operations until the IDA credit became effective. DANIDA provided financing through the Ministry of the Environment to CARE for vehicles and equipment, and CARE itself financed some administrative costs. During implementation, the proposals made at appraisal regarding financing and accounting were unfortunately not accepted by the Ministry. Subsequent approval and disbursement procedures proved unworkable and a large portion of the component was, as a result, eventually canceled.

**Grants to NGOs** Bank-financed projects sometimes include mechanisms for channeling funds to NGOs in the form of grants. The most prominent example of this is the Bank's numerous social fund-type projects, which award relatively small grants to individual CBOs and NGOs for the implementation of specific sub-projects. (See **Box 8**) In some cases, project agreements have granted larger amounts of money to specific NGOs for broader activities. In the *Ghana Second Health and Population Project*, for example, a bilateral agreement approved grants of \$0.8 million and \$2.3 million respectively to the National Catholic Secretariat and the Planned Parenthood Association of Ghana.

Outside of the project cycle, a number of special programs exist whereby the World Bank grants relatively small amounts of money to NGOs for specific purposes:

- The *World Bank Small Grants Program* was created in 1983 to promote dialogue on international development issues of particular

concern to the World Bank. The program supports conferences, seminars, publications, networking activities, and other information-related activities for which small organizations frequently lack adequate funding. While all types of institutions are eligible to apply, most grants are allocated to NGOs. Grants range from \$2,500 to \$30,000 and average approximately \$12,000. The program disburses a total of approximately \$500 000/year. For more information, contact Peter Hemsch, EXT.

- The Bank's *Special Grants Program* has provided funding support to NGOs in the context of the World Summit for Social Development (in Copenhagen, March 1995) and the Fourth World Conference on Women (in Beijing, September 1995). In both cases, the funds are being used to facilitate the participation of developing country NGOs and to support the "parallel" conferences which NGOs organize in conjunction with each official event. For further information, Bank staff can contact the Secretariat to the Special Grants Program Oversight Committee. The Special Grants Program also funds the two following initiatives of the Population, Health and Nutrition Department.

- The *Safe Motherhood Special Grants Program* began in 1988 to support activities related to the Safe Motherhood Initiative (which called for a fifty percent reduction in maternal mortality and morbidity by the year 2000). It provides funding for maternal health advocacy, research and interventions. International organizations, such as WHO, have been financed to provide country and regional support for program planning, technical guidelines and information dissemination, while small NGOs have been supported for innovative strategies and approaches. For further information, contact Kirrin Gill, PHN.

- The *Population NGOs Special Grants Program* seeks to identify and strengthen the capacities of small, grassroots indigenous NGOs working in population-related fields in developing countries, and funds initiatives which exemplify new, integrative approaches to demand creation and service delivery. Priority activities are divided into two main areas: i) improving family planning programs, and ii) realizing linkages between social development and fertility decline. In FY94, program was expanded to meet the special needs related to the 1994 International Conference on Population and Development in Cairo in September. Further information is available from Chantal Worzala, PHN.

- The Private Sector Development (PSD) Department recently developed and launched a *Small and Medium Enterprise (SME) Pilot Initiative* which aims to raise \$8-10 million from donors and will consist of three joint programs with NGOs active in SME development. The principal objectives are i) to gain practical knowledge about the

institutional arrangements of successful SME development projects; ii) to assist participating NGOs to expand their programs, and; iii) to apply lessons learned to the Bank's lending operations and donor SME support programs. Three successful NGO initiatives—representing 3 different approaches - have been identified for the pilot: CARE Canada Tools for Development, Women's World Banking Best Practices and Enterprise Network Initiative, and FUNDES Enterprise Centers. The selection was based on the NGOs' positive track record, their strong local presence, sustainable, cost-effective and efficient operations, high client outreach capacity, and innovative and replicable program design.

- As a follow-up to the 1993 Hunger Conference sponsored by the Bank, the creation of a *Consultative Group to Assist the Poorest of the Poor: A Micro-Finance Program* is currently under consideration (at the time of print, a proposal was awaiting Board review). The objectives of the proposed fund are i) to increase learning and dissemination of best practices for delivering financial services to the very poor, and; ii) to support and expand sustainable micro-finance and micro-enterprise initiatives. A variety of institutions will be eligible for financing from the proposed fund including NGOs, credit unions, cooperatives and private business associations.

- The *Global Environmental Facility Small Grants Program* (administered by UNDP) supports community-based activities by CBOs and NGOs in developing countries. The program currently operates in 28 countries and, as of July 1994, has awarded almost 200 grants totaling US\$10 million. The program emphasizes decentralized decision-making and promotes activities which will lead to an increase in community-level responsibility. The maximum size of individual grants is \$50,000.

**Lack of resources for NGO-related activities**—A widely recognized obstacle to increased NGO collaboration in Bank-financed projects is the lack of Bank resources available for the types of activities normally carried out by NGOs. Because Bank policy strongly supports collaboration with NGOs, the demand for such resources has steadily increased in recent years. Two attempts to respond to this demand for resources have included the creation of the Participation Fund and the Fund for Innovative Approaches in Human and Social Development. The Participation Fund was established in July 1993 to encourage participatory approaches in Bank activities. This \$300,000 fund, which financed proposals from operational units on a 50/50 match basis, was entirely committed within six months. A significant number of the activities which received support from the Participation Fund included some form of

NGO involvement. See **Box 15** for a description of the Bank's current Fund for Innovative Approaches in Human and Social Development.

#### **Box 15**

##### **FUND FOR INNOVATIVE APPROACHES IN HUMAN AND SOCIAL DEVELOPMENT**

In July 1994, a fund of \$2 million was established to support innovative approaches in human and social development. The main purpose of this fund is to improve the quality of Bank operations in areas which have yet to be mainstreamed into the Bank's operational work—specifically with regard to promoting participation (including the involvement of CBOs and NGOs) and undertaking social assessments. The fund is available to both regional and central vice presidencies and can be used for either operational or internal capacity-building purposes (NGOs cannot apply directly to the fund). Intended as a supplement and not a substitute for regular departmental budgets, an important requirement is that all allocations must be matched on a 50/50 basis with regular budget funds. The primary rationale for the fund arose from growing evidence that uneven financial and technical support are major disincentives for Task Managers who wish to widen stakeholder involvement or improve social analysis. A second reason for the fund is to encourage innovation. Task Managers who wish to undertake new or innovative work are currently heavily dependent on trust funds. The Fund for Innovative Approaches in Human and Social Development will reduce the need for Task Managers to seek external resources. The fund has currently been approved for FY95 only. Its continuation in FY96 is subject to senior management decision. More information on the fund can be obtained from the Participation Unit of OPRPG.

**Confusion over NGO status**—The fact that NGOs sometimes co-finance projects or contribute advice or services for free has led to some ambiguity as to when and how much NGOs should be paid for their services. In some cases, project staff have assumed that NGO collaboration would come free of charge, while the NGO's expectation was to be treated as any other consultant or contractor. In other circumstances, NGOs have freely contributed time and resources during project preparation phases with the implicit expectation, however, that they would be contracted during implementation. In order to avoid misunderstandings, questions related to fees, overhead costs, the NGO's exact status and expected future roles should be openly discussed from the outset. In the case of informal consultations, Bank staff should keep in mind that although many NGOs are willing to provide information and advice, their staff time is also of value and they can only invest so much without compromising their own operations. Unless participating as a co-financier, NGOs should not be expected to provide services free of charge or to accept fees lower than those of other professional consultants/contractors.

**Overhead costs**—Overhead costs vary significantly among individual NGOs, and are not always calculated in the same manner. Some NGOs are accustomed to working with bilateral donors who are willing to cover certain types of recurrent and/or core costs which the Bank cannot. It is important for Task Managers to ensure that NGOs understand what constitutes legitimate overhead costs for the Bank and how various fees and costs should be categorized. For example, specific costs related to participatory processes should be identified as such (*not* included in a general overhead category). International NGOs with headquarters in developed countries should be advised that borrowing governments may be less willing to cover overhead costs in “headquarters” than those incurred in-country. Local NGOs with limited experience in dealing with donors sometimes fail to include any overhead costs in their initial proposals and, as a result, find it difficult to satisfactorily fulfill project commitments. When NGOs are hired as consultants, the use of a lump-sum contract can often simplify the process. There are currently no specified guidelines for overheads when NGOs are acting as implementing agencies and agreements have been worked out on a project-to-project basis. It has been suggested that collaboration could be facilitated by establishing clear standards for acceptable NGO overheads in different types of projects.

#### KEY POINTS

- ☛ NGOs are generally cost-effective. They should not, however, be viewed as a “low-cost alternative” to other types of implementing agencies.
- ☛ NGOs should not be expected to provide services free of charge or at lower than market rates (unless according to a co-financing agreement).
- ☛ Ensure mutual understanding of the status of NGO involvement (e.g.: informal unpaid advisor, paid consultant, contractor, etc.) from the outset.
- ☛ Establish mutually acceptable fees and overhead costs.

#### FURTHER READING

- ☛ Soniya Carvalho, *Social Funds: Guidelines for Design and Implementation*.
- ☛ World Bank, *Socioeconomic Development Funds: A Guideline for Design and Implementation*.
- ☛ *Guidelines of the Fund for Innovative Approaches in Human and Social Development* (available from the Participation Unit, OPRPG).
- ☛ Global Environmental Facility, *Participation by Non-Governmental Organizations in the Global Environmental Facility*.

## E. Procurement and Disbursement Issues<sup>21</sup>

**International Competitive Bidding**—Under existing Bank policies, international competitive bidding (ICB) is the preferred method of procurement. Local competitive bidding (LCB) is allowed when projects are small and foreign bidders are unlikely to be interested. Unfortunately, ICB procedures effectively exclude most NGOs and other local organizations whose smaller size and limited capacity prevents them from competing on an international scale. When NGOs have been required to use ICB in their role as implementing agency for a Bank-financed project, they have found the procedures cumbersome and time-consuming. NGOs involved in the *Uganda Program to Alleviate Poverty and the Social Cost of Adjustment*, for example, were obliged to meet the procurement requirements of both the Bank and the government of Uganda, resulting in a 34-step procurement process for any item over \$1,000. A description of this lengthy process, which led to serious delays in project implementation is outlined in Annex VIII.<sup>22</sup>

**Local competitive bidding (LCB)**—Projects such as the *Ethiopian Social Rehabilitation Fund* have developed simplified LCB documents for use by NGOs and other local organizations. A sample of one such document is included in Annex IX. In Senegal, an intermediary agency called AGETIP (Agence d'Exécution de Travaux d'Intérêt Publique) was created to facilitate the LCB process (**Box 16**). Based on the AGETIP experience, similar institutions have been established in Burkina Faso, Benin, Chad, Gambia, Madagascar, Mali, Mauritania and Niger.

### Box 16

#### FACILITATING LCB THROUGH AN INTERMEDIARY AGENCY

Procurement contracts for the *Senegal Second Public Works and Employment Project* are handled by AGETIP (Agence d'Exécution de Travaux d'Intérêt Publique). AGETIP's operational manual provides simple bidding documents for LCB which are designed to ensure adequate competition among local contractors without requiring them to prepare a complex proposal. The core of the procurement procedure is local advertising which invites all contractors registered in the AGETIP roster to bid. The contract is written in simple language, describing the nature and scope of the work and proposing reference prices. AGETIP's entire bidding and procurement process takes two months, compared to over six months when undertaken by the government administration. AGETIP's clients include private firms, NGOs, community associations and youth groups.

**Alternative procurement practices**—In “special cases”, Bank policy allows for the use of alternative procurement practices such as local shopping (based on comparing at least three price quotations), direct contracting (no competitive process) or force account (use of the borrower’s own personnel and equipment). These methods are normally allowed only in cases where works are small, scattered or remote; where quantities of goods or services cannot be defined in advance or where there are no interested contractors. Operational Directives 4.15 and 14.70, and the newly proposed 3.17, allow for “flexibility” in projects with social objectives or NGO or community involvement.

The use of alternative procurement methods, such as local shopping, can facilitate the involvement of local businesses and NGOs and the use of local labor. For example, in the case of a small community infrastructure project, it could be desirable to directly hire an NGO to undertake construction using paid community labor rather than employing a standard competitive bidding process. In some cases, such as the *India National Sericulture Project* and the *China Irrigated Agriculture Intensification Project*, community labor has been employed through a broad interpretation of the concept of “force account”. Projects such as the *Zambia Social Recovery Project* demonstrate how a creative use of ICB, LCB as well as alternative procurement practices can help to ensure competition and efficiency while facilitating NGO and community participation. (Box 17)

#### Box 17

##### PROCUREMENT IN THE ZAMBIA SOCIAL RECOVERY PROJECT: BALANCING EFFICIENCY, ACCOUNTABILITY AND PARTICIPATION

The average size of sub-projects in the *Zambia Social Recovery Project* (see also Box 11) was \$30,000 and many sub-projects were much smaller than this. The NGOs and community groups implementing the sub-projects were highly decentralized and located in remote areas of the country. From the perspective of project implementation, it was inefficient and unrealistic to ask these sub-project committees to follow formal ICB or LCB procedures for such small sums of money. In order to balance competitiveness and project efficiency, the project developed guidelines which promoted the use of ICB and LCB when possible, but made it permissible to use local shopping. In accordance with Bank policy, civil works contracts were combined to form packages of \$250,000 and purchases of goods and services were “lumped” together into \$100,000 packages so that both could be procured under ICB. Where this “lumping” strategy was not feasible, LCB was used. For amounts under \$30,000, NGOs and community groups were allowed to use prudent local shopping measures, obtaining three or more quotations from local suppliers. In practice, “lumping” proved difficult and the vast majority of sub-projects used local shopping.



**Provision of advance funds**—O.D. 14.70 states that “special measures may be required to ensure that NGOs have sufficient liquidity to carry out the contract”. While private contractors normally work on an expense reimbursement cycle, most NGOs maintain limited capital reserves and are unable to operate without advance funds. As in the *Mali Health Development Project*, failure to address this situation can lead to project delays and financial difficulties for participating NGOs. (Box 18)

Advance payments can be made as long as they are provided for in project contracts. The opening of a Special Account (SA), a revolving account which provides advances in local and foreign currencies, is now fairly common-place. Normally, however, only one SA is permitted per project.

In some cases, such as the *Ethiopia Emergency Recovery and Reconstruction Project*, the opening of a separate SA for NGO or community-related procurement has been found to facilitate disbursement. In projects with substantial community-level involvement, multiple SAs may be permitted if the project is structured accordingly. The *Cameroon Food Security Project* and the *Benin Natural Resources Project* both used Second Generation Special Accounts (SGSAs), which permit advance payments from the SA to separate project accounts. SGSAs are permitted by O.D. 12.00, but only under “exceptional circumstances” and require clear and well-defined control features. SGSAs require the approval of the director of the Loan Department, which must be sought before the completion of appraisal.

**Delays in Disbursement**—Because NGOs’ capital reserves are generally very low, delays in the disbursement of project funds can be particularly problematic. When delays occurred in the *Indonesia*

#### Box 18

##### MALI - HEALTH DEVELOPMENT PROJECT

In the *Mali Health Development Project*, an NGO based in Burkina Faso—ADAUA (L'Association pour le Développement d'une Architecture Naturelle et d'un Urbanisme Africain) was contracted to construct a number of health centers. Although ADAUA's NGO status was recognized by the Bank, the Government of Mali treated the organization as a private contractor. The government expected ADAUA to spend money and be reimbursed from the project fund. The reality was, however, that ADAUA lacked capital reserves and could not subsist without advances. As a result, there were cumulative delays in construction and disagreements over pre-agreed schedules. Relations with local communities also suffered when, due to lapses in funding, local laborers went unpaid for months at a time. While ADAUA was technically sound, its financial management and accounting capacities were not well-developed, leading to significant unaccountable losses.

*Yogyakarta Rural Development Project*, an indigenous NGO which had been contracted to construct water storage containers, not only had to interrupt its construction activities, but found itself unable to pay wages to local laborers for their work. In projects such as the *Zaire Ituri Livestock Development Project*, disbursements to NGOs have been held up due to delays in the delivery of borrowing government "counterpart" funds. Stipulating "in-kind" government contributions (e.g.: salaries, utilities, etc.) can help to alleviate this problem. If the borrowing country is willing to guarantee repayment of loan funds by an NGO, then payments can be made directly available to the participating NGO, thus avoiding bureaucratic delays.

**Ensure NGOs understand procurement/disbursement practices—**

Care should be taken to ensure that all parties involved are well-informed about procurement and disbursement procedures prior to signing an agreement. Credit agreements should be written in clear and simple language and, where possible, made available to all participating parties. Some Task Managers have also used simplified bidding documents and provided training to NGOs on procurement methods and practices. In the *Albania Rural Poverty Alleviation Pilot Project*, for example, training was provided to commune members who had been directly contracted to carry out infrastructure sub-projects. It is also useful to ensure that staff in the project implementation unit are fully familiar with procedures and can provide guidance and advice to participating NGOs if necessary.

**KEY POINTS**

- Use simplified bidding documents, where appropriate.
- Consider the use of alternative procurement practices.
- If necessary, make provisions for advance payments.
- Provide training for NGOs in procurement and disbursement procedures.

**FURTHER READING**

- Gita Gopal and Alexander Marc, *Study of Procurement and Disbursement Issues in Projects with Community Participation*.
- World Bank, *Procurement in Africa: Issues and Solutions*.
- Samuel Voorhies, *Working with Government Using World Bank Funds: Learning from the Uganda Orphans and Health Rehabilitation Program*.

## F. NGO-Government Relations

NGO involvement in Bank-financed operations implies a trilateral working relationship between the borrowing government, NGOs and the Bank. It can be argued that ultimately NGO relations with government are more important to successful collaboration than NGO relations with the Bank. For this reason, it is extremely important for a Task Manager to have some knowledge of the borrowing government's overall perspective of the NGO sector as well as its relationship with specific NGOs or groups of NGOs.

**Understanding NGO-government relations**—State-NGO relations vary enormously from country to country and from regime to regime. In some situations, NGOs are viewed as clear opponents of the state and relations are no less than hostile. In other cases, government and NGOs may share similar goals and work closely with each other. Between these two extremes are governments which may tolerate the NGO sector without being particularly supportive or which might ally themselves with certain NGOs while opposing others. Given the enormous heterogeneity of the NGO sector, a government's relationship with any individual organization depends greatly upon that organization's specific activities, purpose, ideology and institutional or personal ties.

The NGO Unit of OPRPG has produced an issues paper (Clark, 1993) and an Initiating Memorandum for a series of country-level studies on State-NGO relations. Designed and implemented in conjunction with CDs, these studies are intended to provide a general overview of the NGO sector as well as essential information about State-NGO relations in that country.<sup>23</sup> At the time of writing, one study looking at the policy environment in which NGOs function has been completed in Uganda and two are underway in Bangladesh and Indonesia.

State-NGO relations have been explored in the context of a number of Bank studies and reports. In the preparation of *Sri Lanka's Poverty Assessment*, for example, a working paper was produced which examined key areas of government-NGO collaboration, and included an analysis of government policy towards NGOs as well as recommendations for promoting an enabling environment. Another report entitled *A Study of Non-Governmental Organizations in Cameroon and Côte d'Ivoire* was undertaken to assess NGO-government relations and to appraise the capacity of NGOs more generally. The NGO sector in both of these countries was found to be quite weak and the report gives a number of recommendations as to how the Bank, in collaboration with government, could provide additional support.

### Unwillingness of NGOs to work with government and vice versa—

It is not always appropriate to encourage government-NGO collaboration. In some situations, the leading NGOs and government have a conflictual relationship. In other circumstances, NGOs risk losing their credibility or autonomy by accepting government funds. In projects such as the *Chad Social Development Action Project*, NGO involvement has been made a condition of project effectiveness. This approach has been used successfully in a number of situations where NGO collaboration was deemed particularly important. Little is to be gained, however, from pressuring unwilling governments into involving NGOs by making it a project condition. Collaboration is unlikely to be productive unless both parties enter into the agreement willingly. As demonstrated by the *Guatemalan Social Investment Fund*, the Bank is not always well-placed to act as mediator in a conflictual situation. (Box 19)

#### Box 19

##### THE GUATEMALAN SIF—AN NGO PERSPECTIVE

In 1987, ASINDES, the largest NGO consortium in Guatemala, entered into discussions with the World Bank and the Government of Guatemala (GoG) regarding the creation of a SIF. Given the country's history of repressive regimes, NGOs had little experience in interacting with government and were hesitant to work closely with the new democratic government. Despite their initial fears, ASINDES members recognized the important potential benefits of the SIF and ultimately agreed to participate in the design and implementation of the Fund. Initially, participating NGOs viewed the Bank as an objective mediator between themselves and government. When conflict and disagreement between NGOs and the GOG led to project delays, however, NGOs were disappointed that "the Bank seemed to lose its objectivity as a negotiator and clearly side with the GOG". (PACT, 1990, p. 24). A study of the experience prepared by an intermediary NGO concludes that the Bank "can encourage governments to be more receptive of NGOs, but it is unsuited to assume the role of mediator, especially in conflictual situations...[as]...its organizational, intergovernmental structure and its customary experience will incline it powerfully toward supporting governments in disputes with NGOs." The study goes on to recommend that the Bank should seek to facilitate government-NGO relations at a more general level, rather than attempting to work out complex relations within a time-bound, project-specific context.

Source: PACT, 1990.

**Seeking government-NGO complementarity**—In situations where government agencies are weak or inoperative, NGOs have represented a viable institutional alternative. NGOs have also been called upon to deliver services in specific areas where government capacity is weak. Ideally, NGO collaboration should aim to complement, not by-pass,

government efforts and to contribute to long-term institution-building. Particularly when the implementing agency is an international NGO, working in partnership with relevant government line ministries should be stressed. In Ghana, for example, the international NGO TechnoServe has been contracted under the Bank's *Rural Finance Project* to strengthen the capacity of the government's Department of Cooperatives. Working hand-in-hand with DOC staff, TechnoServe Business Advisors have trained their counterparts in business planning, financial management, credit management and the other skills needed to help rural communities establish and manage commercially viable, cooperatively-owned enterprises. In some cases, governments may view NGOs as "competitors" and be unwilling to share project resources and/or the credit for project benefits with NGOs. The *PAMSCAD* experience in Ghana, for example, provides an illustration of government reluctance to give up "ownership" over a Bank-supported development program. (See **Box 20**).

#### **Box 20**

##### **WORLD BANK-NGO PARTNERSHIP IN GHANA**

*PAMSCAD* was launched in Ghana in 1988 with the objective of protecting vulnerable groups during the initial phases of structural adjustment. During program preparation, it was agreed that NGO participation would be an important factor. The World Bank resident mission established close contact with the Ghana Association of Private Voluntary Organizations in Development (GAPVOD), and together they organized activities to inform NGOs about the upcoming program and solicit their input. Representatives from GAPVOD and other NGOs were included in a program Task Force. NGOs were also invited to participate in a donors' conference which resulted in financial commitments by multilateral and bilateral donors of over \$85 million. Ultimately, however, NGO involvement in the program was much less significant than originally planned. Although the government agreed in principle to channel resources through NGOs, in practice it proved politically advantageous for government to maintain control over program resources and to be able to take credit for program benefits. NGOs were initially expected to play a key role in a Community Initiatives Project. In order to support its decentralization plan, however, the government ultimately chose to work through its own district assemblies. A mid-term evaluation carried out in 1990 found that, with the exception of a large food-for-work project undertaken in the north of the country by Amasachina (a Ghanaian NGO) and the Adventist Development Relief Association, most project components had, in fact, been fully taken over by the government.

**Supporting an enabling environment**—The policy environment within which NGOs function is a key factor in determining the strength and effectiveness of the sector. The major means whereby government policy influences NGOs are listed in **Box 21**. It has been argued that one of the most effective ways for the Bank to support NGOs is by using its influence with governments to promote an

enabling environment. In the *India Integrated Watershed Development* and the *Nepal Bhairawa Lumbini Groundwater Irrigation III* projects, for example, the Bank facilitated the legalization of CBOs in order to allow them legitimate ownership of project activities. A number of other Bank projects have led to creation of NGO liaison line agencies. The Bank can also promote state-NGO relations by creating incentives for government staff to work with NGOs and by sponsoring fora for dialogue and information-sharing. In the *Sri Lanka Health and Family Planning Project*, for example, joint training was provided for NGO and government staff in Information-Education-Communication (IEC) techniques. In addition, a series of annual workshops were organized to bring government and NGO personnel together to discuss on-going strategies and implementation plans.

#### Box 21

##### GOVERNMENT POLICIES AND THE NGO OPERATIONAL ENVIRONMENT

The principal avenues whereby governments influence the operational environment for NGOs include:

- the nature and quality of governance (freedoms of speech and association);
- the legal framework (registration, reporting requirements, etc.);
- taxation policies and duty exemptions for NGOs;
- operational collaboration with NGOs;
- public consultation and information-sharing with NGOs
- government roles in coordinating NGO activities;
- government funding of NGOs;
- regulation of foreign donations to NGOs.

Source: Clark, 1993.

#### KEY POINTS

- Consider conducting a state-NGO relations study.
- Keep in mind that government-NGO collaboration is not possible/desirable in all cases.
- Always seek government-NGO complementarity.
- Understand how government policies influence the NGO sector and, where possible, promote an enabling environment for NGOs.

#### FURTHER READING

- John Clark, *The State and the Voluntary Sector*.
- PACT, *The Negotiation of the Guatemalan Social Fund: An NGO Perspective*.
- John Farrington and Anthony Bebbington, *Reluctant Partners? Nongovernmental Organizations, the State and Sustainable Agricultural Development*.
- Anthony Bebbington et. al., *NGOs and the State in Latin America*.
- John Farrington et. al., *NGOs and the State in Asia*.
- Kate Welland et. al., *NGOs and the State in Africa*.
- Michael Bratton, *The Politics of Government-NGO Relations in Africa*.

## G. Importance of clearly defined roles and responsibilities

Establishing and maintaining an effective trilateral working relationship can be a complex task. A number of projects have experienced difficulties due to a lack of communication among government, NGOs and the Bank and a lack of clarity concerning specific roles, responsibilities and lines of authority.

**Communication/information-sharing**—It is important to ensure that participating NGOs have access to project documents which relate to their collaboration. Wherever possible, credit agreements and procurement documents should be shared with NGOs. Projects with substantial NGO involvement have usually appointed an official NGO liaison person and established institutional mechanisms to ensure on-going communication throughout the project cycle. In the *Bihar Plateau Development Project*, for example, an NGO Cell made up of a sociologist/anthropologist and an office manager was created. The terms of reference of this cell and its place in the project structure is included in Annex X. In the case of the PAPSCA project in Uganda, participating NGOs were unclear as to where they could go for information and to whom they should report. Frustrated with their inability to obtain clear information from the in-country project office, one NGO eventually placed a staff person in Washington with a mandate to liaise directly with the Bank. **Box 22** illustrates the difficulties which can arise when clear communication between all parties is not ensured.

**Pre-implementation trilateral consultations**—Government-Bank-NGO consultations early on in the project cycle serve to clarify respective roles and responsibilities and establish trust between the three groups. Allowing NGOs to participate in defining the terms of their collaboration helps to ensure that identified roles are appropriate and realistic. Experience has shown that it is useful to reach a general agreement on the project context and broad objectives, before detailing NGO involvement. In the case of the *Burkina Faso Food Security and Nutrition Project*, an NGO advisor from the Africa Technical Department joined the identification team and played a key role in facilitating Government-Bank-NGO working relations. A project working group (composed of government, NGO and Bank representatives) met over a three day period to reach consensus concerning overall project objectives, institutional arrangements, administrative structures, financial terms and technical matters. Details concerning community contracts, mechanisms of beneficiary participation, disbursement procedures, and the specific responsibilities of national and provincial-level project committees were also agreed upon. Other projects have found

it useful to hold an implementation workshop at effectiveness to explain procedures and prepare yearly action plans.

### Box 22

#### THE IMPORTANCE OF EFFECTIVE TRI-LATERAL COMMUNICATION

From 1987 to 1989, OEF International (a Washington-based NGO) collaborated with the Bank on the development of an innovative water and sanitation project. Invited by the Task Manager (TM) to participate in the design and appraisal stage of the project, OEF assumed that it would also be involved in the implementation of the project. Throughout this process OEF communicated exclusively with the TM who it assumed was the ultimate authority on its involvement in the project. During a third preparation mission, OEF learned from the TM that it would have to independently negotiate a contract with the government of Mexico, but continued to assume that its participation during implementation was a given. Following project approval, OEF was advised by the TM to travel to Mexico to obtain contracts for technical assistance with two participating parastatal agencies. OEF drew up contracts with the parastatals, but when it approached the state planning agency for approval was accused of attempting to impose itself on the government. An evaluation report drafted by OEF states: "OEF mistakenly believed that the TM's desire to include an NGO like OEF was equivalent to a decision by all parties to do so. OEF never comprehended until late in the process that it would have to negotiate on its own its role in implementation with government. Nor did OEF ever understand who was the key contact with authority for negotiation decisions within the government...The ambiguity of the NGO's status vis-à-vis the Bank and the GOM caused much confusion and fettered communication between and among all three parties to the project." In the end, this project did not reach implementation as it was superseded by another Bank-financed regional development program.

*Source: OEF International, 1990.*

#### KEY POINTS

- Share all relevant project documents with participating NGOs.
- Consider the appointment of an NGO liaison officer.
- Organize a government-Bank-NGO information-sharing workshop.

#### FURTHER READING

- World Bank, *India: Bihar Plateau Development Project, Staff Appraisal Report.*
- OEF International, *Women, Water and Development in Mexico: A Case Study of NGO Collaboration in a World Bank Project.*



## H. Contractual/Legal Issues

**Unwillingness or inability of NGO to enter into a legally binding contract**—In some cases, NGOs may be reluctant or incapable of entering into a standard contractual agreement. In such cases, a Memorandum of Understanding (MoU) or Convention signed with government or an executing agency may be more appropriate. In the *India National Cataract Blindness Control Project*, for example, a participating NGO which was reluctant to take on the risk of contractual liability signed a MoU defining it as an equal partner with the executing agency. According to the specified terms, the NGO was under no formal legal obligation and would be paid for its services upon verification of performance.

**Alternative agreements**—Different forms of contractual agreements with NGOs might be necessary depending upon the specific nature of their collaboration in the project. In the *Peru Basic Health and Nutrition Project*, for example, NGOs were contracted by both *cooperative agreements* and *service contracts* depending upon the nature of their participation in the project. *Cooperative agreements* were used in cases where NGOs were contracted to deliver government supplies (e.g.: the distribution of medicines or vitamins) or in cases where the government and NGO used their respective resources on the same project component (e.g.: NGO organization of village-level training by a government nurse), while *service contracts* were used when an NGO was contracted to carry out a discrete project activity (e.g.: training community workers). See **Box 23** for a description of NGO involvement in this project.

### Box 23

#### PERU BASIC HEALTH AND NUTRITION PROJECT

The objective of this project is to improve the quality and accessibility of health and nutritional services, with an emphasis on poor women and children. Over 250 health-oriented NGOs are active in Peru and over 60 have operations in the project area. Given the high level of NGO expertise in this sector and generally positive relations with government, it is anticipated that NGOs will play a major role in project implementation. They will be responsible for 75% of training and research activities, 40% of education and communication and 20% of service delivery. In order to promote effective participation, NGO input was incorporated at an early stage. During project preparation a commission made up of government, donor and NGO representatives was formed to discuss project objectives and strategies.

**Simplified contracts**—A number of projects have adapted or simplified standard contract models for use with NGOs and/or community-based organizations. An example of a simplified contract between a project authority and a village group is included in Annex X. The operations manual of the *Zambia Social Recovery Project* contains further examples of simplified contracts.

#### KEY POINTS

- ☛ Adapt standard contract agreements as necessary to meet specific needs of NGOs/community groups.
- ☛ Write contracts in simple language.
- ☛ Consider using a Memorandum of Understanding or other alternative form of contract.

#### FURTHER READING

- ☛ Gita Gopal, *Guidelines for Identifying and Addressing Legal Issues in Designing Projects with Community Participation* (forthcoming).

### I. Capacity-Building

In addition to enhancing the effectiveness of Bank-financed projects, Bank-NGO collaboration also presents an opportunity to build the capacity of the NGO sector. The building of social capital and the emergence of a strong civil society are essential ingredients in achieving long-term, sustainable development at the national level. Enhancing the capacity of indigenous NGOs through operational collaboration may well generate a development impact which surpasses immediate project goals.

**Provide training**—One way the Bank can contribute to the capacity-building of NGOs is through training. In the *Nepal Rural Water Supply and Sanitation Project*, for example, NGOs selected to work with communities followed a seven day training course on participatory research techniques, gender sensitivity and group dynamics. This initiative was financed by the Japanese Trust Fund and is judged to have made an important contribution to the success of the project while also developing the skills and capacities of participating NGOs. Training in participatory techniques will also be offered to NGOs involved in carrying out environmental assessments for the preparation of Mali's Environmental Action Plan which receives bilateral funding from Germany. In both of these cases, training sessions are organized and conducted by leading NGOs.

**Promote NGO partnerships**—International NGOs are frequently larger and enjoy greater access to human and capital resources than do their national counterparts. Although it is natural to seek out partners which are strong and competent, it is also important to support the growth of the indigenous NGO sector. One way to achieve this is by pairing larger/stronger NGOs with smaller/weaker ones. In the *Benin Food Security Project*, for example, international NGOs were required to work in partnership with local groups. (Box 24) In such cases, it can be useful to stipulate specific capacity-building strategies and goals.

#### Box 24

##### INTERNATIONAL NGOS SUPPORTING DOMESTIC ORGANIZATIONS

The *Benin Food Security Project* began with a two year pilot phase, during which international and local NGOs were contracted to provide services to communities in micro-project identification, design and implementation. During the pilot it was found that while local NGOs were enthusiastic and competent, their participation in the project was inhibited by a lack of sufficient staff and vehicles and, in some cases, a lack of experience in project design. International NGOs had less difficulty in that they tended to enjoy higher levels of human and material resources and a longer record of field experience. At the end of the pilot NGOs, government and donors came together at a workshop to design a larger project. In order to contribute to the long-term development of the local NGO sector, it was decided that international NGOs would not undertake project activities independently but rather would work in partnership with a newer and weaker local NGO, providing informational, technical and logistical support and facilitating technology transfer.

**Foster information-sharing**—Another way the Bank can contribute to NGO capacity-building is by supporting information-sharing and networking activities among NGOs. One example of this is the Madagascar Participation Review. With \$20,000 from the World Bank's Participation Fund, an initiative was undertaken in Madagascar to conduct a review of participatory development practices at the grassroots level. The review team, composed of NGOs and academics, will assess five successful NGO projects and then hold workshops and training sessions to share "best practices" among NGOs and donors.

**Capacity-building efforts outside of the project cycle**—NGO capacity-building activities have also been undertaken outside of the project cycle. For example, the Economic Development Institute (EDI), which has traditionally provided sectoral and management training to government staff and policymakers from developing countries, now frequently includes NGO representatives in its courses. The EDI has also initiated several programs specifically for the NGO sector.

Since June 1992 EDI has been sponsoring a pilot program to help African NGOs strengthen their long-term programming skills. The overall objective of the program is to develop a methodology for assisting NGOs through a combination of training and follow-up support. The follow-up consists of organization-based consultancies to assist the NGOs in applying tolls and skills presented in the workshops. To date, 21 NGOs from Benin, Burkina Faso, Mali and Niger have participated in training workshops. EDI's partner in this program is Innovations et Reseaux pour le Développement (IRED), an international network of NGOs and community organizations. In Latin America, EDI sponsors another NGO capacity-building program called *FICONG*. (See **Box 25**).

**Box 25**

INSTITUTIONAL STRENGTHENING AND CAPACITY-BUILDING FOR  
NGOS IN LATIN AMERICA

EDI launched the *FICONG* (*Fortalecimiento Institucional y Capacitación para Organizaciones no Gubernamentales*) program in 1991 in collaboration with the Latin American branch of the International Institute for the Environment and Development (IIED). The aim of *FICONG* is to assist NGOs working in urban poverty in Latin America and to promote dialogue on urban poverty issues among NGOs and between them and municipal governments. The program is a multiyear effort financed by EDI and other international donors. During a typical year, NGOs that comprise the *FICONG* network deliver more than 30 seminars, workshops and courses. In addition, the program publishes several thematic journals, books and training materials. To date, over 500 NGOs and local governments have participated in *FICONG*'s activities. EDI's assistance will be reduced on a declining basis over the coming years so that the program can become self-sustaining.

Over the past five years, EDI has worked with NGOs in piloting a number of innovative and participatory women's grassroots management training programs. These have included the *Women's Management Training Outreach Program (WMTOP)* in Nigeria; *Femmes et Formation a la Gestion Appliquée (FEFGA)* in Senegal and Burkina Faso, and; *Women's Enterprise Management Training Outreach Program (WEMTOP)* in India. Local teams in each country have assessed the management training needs of grassroots women's groups engaged in income-generating activities and micro-enterprise; adapted or developed new training materials to address the needs of this (largely illiterate) population; conducted training; provided on-site follow-up training support, and; monitored and evaluated training results and outcomes. Future work involves the consolidation of materials, institutionalization and expansion of existing programs and the introduction of new pilots in other regions.

#### KEY POINTS

- Consult with NGOs on appropriate strategies to support their institutional development.
- Where appropriate, build a training component for NGOs into project design.
- Encourage partnerships between international and local NGOs.
- Promote networking and information-sharing among NGOs.

#### FURTHER READING

- Alan Fowler et. al., *Institutional Development and NGOs in Africa: Policy Perspectives for European Development Agencies*.

- <sup>1</sup> A list of Bank policies and procedures which make reference to NGOs is included in Annex I.
- <sup>2</sup> Operational Directive 14.70, *"Involving Nongovernmental Organizations in Bank-supported Activities"*, Washington: World Bank, 1989.
- <sup>3</sup> NGOs are alternatively referred to as PVOs (private voluntary organizations), non-profits, charitable organizations or third sector organizations.
- <sup>4</sup> Again, the distinctions between these categories are not entirely clear-cut. For example, grassroots organizations have, in some cases, expanded to the national or sub-national level; independent local offices of international organizations sometimes function, in effect, as national organizations, and; some NGOs based in developing countries may cover an entire region or sub-region.
- <sup>5</sup> World Bank, *Cooperation between the World Bank and NGOs: 1994 Progress Report*, Washington: World Bank, 1994.
- <sup>6</sup> A range of variables which should be taken into account when identifying and assessing individual NGOs are discussed in section IV.A.ii.
- <sup>7</sup> See bibliography for full references of suggestions for further reading.
- <sup>8</sup> Participation is defined by the World Bank Learning Group on Participatory Development as "a process through which stakeholders influence and share control over development initiatives, decisions and resources which affect them". For more information, see World Bank, *The World Bank and Participation*, Washington: World Bank, 1994.
- <sup>9</sup> See World Bank, *Participation Sourcebook* (forthcoming).
- <sup>10</sup> See, for example, World Bank, *OED Précis Number 78*, January 1995.
- <sup>11</sup> For further information, see A. Norton and T. Stephens, *Participation in Poverty Assessments*, 1994 and World Bank, *Cooperation between the World Bank and NGOs: 1993 Progress Report*.
- <sup>12</sup> Statistics compiled by the NGO Unit, OPRPG show that NGO involvement during implementation is still the most common form of collaboration. In 1994, 86% of cases of NGO collaboration involved participation during implementation. NGOs participated in project design in 52% of cases. They acted as co-financers in 10% of cases, and participated in evaluation in approximately 33% of cases. For more detailed information see World Bank, *Cooperation between the World Bank and NGOs: 1994 Progress Report*, Washington: World Bank, 1995.
- <sup>13</sup> See Soniya Carvalho, *Social Funds: Guidelines for Design and Implementation*, ESP Discussion Paper No. 24, Washington: World Bank, March 1994.
- <sup>14</sup> In late 1994 a Task Force on World Bank-NGO Operational Collaboration, made up of Bank staff and NGO representatives, was formed. Its purpose will be to advise management on measures to facilitate Bank-NGO collaboration.
- <sup>15</sup> World Bank, *Republic of Uganda: The Role of Non-Governmental Organizations and Community-Based Groups in Poverty Alleviation*, Report No. 12262-UG, Washington: World Bank, Eastern Africa Department, Population and Human Resources Division, September, 1993.
- <sup>16</sup> The study cost \$50,000 and was prepared in approximately four months.
- <sup>17</sup> L. Salmen and P. Eaves, *World Bank Work with NGOs*, Washington: World Bank 1989.
- <sup>18</sup> World Bank, *Zambia—Lusaka Squatter Upgrading and Site and Services Project, Project Completion Report*, June 30, 1983.
- <sup>19</sup> See J. Hentschel, *Does Participation Cost the World Bank More? Emerging Evidence*, Paper presented at the World Bank Workshop on Participatory Development, May 1993.

<sup>20</sup> Exceptions to this general rule include a number of special grants programs which are outlined in section IV.D.

<sup>21</sup> Much of the information in this section is drawn from Gita Gopal and Alexander Marc, *Study of Procurement and Disbursement Issues in Projects with Community Participation*, 1994.

<sup>22</sup> For more information see Samuel Voorhies, *Working with Government Using World Bank Funds: Learning from the Uganda Orphans and Health Rehabilitation Program*, 1992.

<sup>23</sup> The Initiating Memorandum for this proposed study series can be obtained from the NGO Unit of OPRPG.





## ANNEXES



# ANNEX I. LIST OF WORLD BANK POLICIES AND PROCEDURES WHICH REFER TO NGOS

OP 4.07	Water Resources Management	07/27/93
OP 4.36	Forestry	09/01/93
OP 8.41	Institutional Development Fund	02/08/94
OD 4.00 AMTM	Environmental Assessment	10/31/89
OD 4.00A	Environmental Assessment	10/31/89
OD 4.00A1	Sample Outline of a Project-Specific Environmental Assessment Report	10/31/89
OD 4.00B	Environmental Policy for Dam and Reservoir Projects	04/28/89
OD 4.01MTM	Environmental Assessment	10/03/91
OD 4.01	Environmental Assessment	09/25/90
OD 4.01B	Outline of a Project-Specific EA Report	10/03/91
OD 4.01D	EA Procedures: Internal	10/03/91
OD 4.01F	Environmental Data Sheet for Projects in the Environmental Action Plans	10/03/91
OD 4.02	Environmental Action Plans	07/21/92
OD 4.02A	Description and Sample Outline of an Environmental Action Plan	07/21/92
OD 4.03	Agricultural Pest Management	07/09/92
OD 4.15	Poverty Reduction	12/31/91
OD 4.15A	Guidelines for Poverty Assessment Summaries	12/31/91
OD 4.20	Indigenous Peoples	09/17/91
OD 4.30	Involuntary Resettlement	06/01/90
OD 8.30	Financial Sector Operations	02/28/92
OD 8.40A	Technical Annex to the Memorandum and Recommendation of the President for Technical Assistance Projects	07/15/91
OD 8.50TOC	Emergency Recovery Assistance	11/28/89
OD 8.50	Emergency Recovery Assistance	11/28/89
OD 8.50A	Types of Immediate Bank Support	11/28/89
OD 8.50B	Special Considerations in Designing Emergency Recovery Loans	11/28/89
OD 9.01	Procedures for Investment Operations under the Global Environment Facility	05/28/92
OD 9.01A	Procedures for Global Environmental Facility Investment Operations—Guidelines for Executive Project Summary	05/28/92
OD 9.01D	Global Environment Facility Investment Operations—Guidelines for the Memorandum and Recommendation of the Director	05/28/92
OD 11.00	Procurement	03/15/89

OD 11.10MTM	Use of Consultants	07/31/90
OD 11.10TOC	Use of Consultants	07/31/90
OD 11.10	Use of Consultants	07/31/90
OD 14.30	Aid Coordination Groups	03/28/89
OD 14.40	Trust Funds and Reimbursable Programs	12/14/90
OD 14.70MTM	Involving NGOs in Bank-Supported Activities	08/28/89
OD 14.70TOC	Involving NGOs in Bank-Supported Activities	08/28/89
OD 14.70	Involving Nongovernmental Organizations in Bank-Supported Activities	08/28/89
GP 4.03	Agricultural Pest Management	04/30/93
GP 4.36	Forestry	05/20/93
GP 13.55	Implementation Completion Reporting	04/29/94
BP 2.11A	Content of a Country Assistance Strategy Document	01/06/94
BP 8.41A	Request for IDF Financing	02/08/94
BP 10.00	Investment Lending: Identification to Board Presentation	06/27/94
BP 10.00D	Outline for a Staff Appraisal Report	06/27/94
BP 10.00E	Outline for a Memorandum and Recommendation of the President	06/27/94
BP 10.21	Investment Operations Financed by the Multilateral Fund for the Implementation of the Montreal Protocol	11/30/93
BP 10.21B	Montreal Protocol Operations: Outline for the Project Information Document	11/30/93
BP 10.21D	Outline for Memorandum and Recommendation of the Director	11/30/93
BP 17.50	Disclosure of Operational Information	09/30/93
BP 10.50A	Application of the Bank's Disclosure Policy to Projects under the Global Environment Facility	09/30/93
BP 17.50C	Sample Notices to Prospective Borrowers	09/30/93

**Introduction**

1. This directive sets out a framework for involving nongovernmental organizations (NGOs) in Bank<sup>1</sup>-supported activities. It provides staff with guidance on working with NGOs, bearing in mind their potential contribution to sustainable development and poverty reduction, as well as the need to consult with relevant member governments and to proceed in conformity with their policies towards NGOs.

**Definition and Classification of NGOs**

2. The diversity of NGOs strains any simple definition or classification. NGOs include a wide variety of groups and institutions that are entirely or largely independent of government, and characterized primarily by humanitarian or cooperative, rather than commercial, objectives. The terminology varies: for example, in the United States they may be called "private voluntary organizations," and most African NGOs prefer to be called "voluntary development organizations." Although organizations such as universities or research institutes may be nongovernmental, this directive refers principally to private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development.

3. In pursuit of the Bank's development, environment, and poverty alleviation objectives, staff increasingly come

into contact with a wide range of NGOs. Production-related NGOs include water users' societies, pastoral associations, consumer and credit cooperatives, farm equipment lease associations, and tree-grower associations. Charitable and religious associations may be involved in shelter for the homeless, food distribution, family planning, and mobilization of funds for development. NGOs heighten awareness and influence policy concerning environmental degradation (OMS 2.36, *Environmental Aspects of Bank Work*, to be reissued as OD 4.00, *Environmental Policies*), involuntary resettlement (OMS 2.33, *Social Issues Associated with Involuntary Resettlement in Bank-Financed Projects*, and OPN 10.08, *Operations Issues in the Treatment of Involuntary Resettlement in Bank-Financed Projects*, which will be combined and reissued as OD 4.30, *Involuntary Resettlement*) and tribal people (OMS 2.34, *Tribal People in Bank-Financed Projects*, to be reissued as OD 4.40, *Tribal People*). NGOs usually play a critical role after a major disaster, such as an earthquake, because of their local knowledge, flexibility of operations, action-oriented staff, and effectiveness in enlisting local volunteers and mobilizing funds for disaster relief and reconstruction (OPN 10.07, *Guidelines for Bank Participation in Reconstruction Projects after Disasters*, to be reissued as OD 8.50, *Emergency Recovery Assistance*). While most

NGOs with which the Bank works are implementation organizations, some NGOs focus primarily on the advocacy of specific changes in policies or approaches to development.

4. Local NGOs are often served at the pro-vincial or national levels by apex federations and other support organizations which can improve local NGO effectiveness (for example through information sharing and coordination) and act as intermediaries between small NGOs and large funding institutions (e.g., by appraising the institutional capabilities of local NGOs or, in some cases, serving as funding channels). National NGOs, in turn, often join international and regional associations (of voluntary development agencies, cooperatives, trade unions, environmental organizations, religious groups, etc.).

5. Bank-supported activities most often involve the following types of NGOs:

(a) NGOs (based in both developing and developed countries) that have demonstrated professional expertise and managerial capabilities in a particular area related to Bank lending, such as environment, rural development, food security, women in development, small-scale enterprises, appropriate technology, low-cost housing, education, vocational or management training, family planning, health, nutrition, or community organization;

(b) NGOs (based in developed countries) that have demonstrated specialized experience in developing countries

in managing foreign assistance—from both private and public sources—intended to promote development at the local community level.

### Strengths and Weaknesses of NGOs

6. The main strengths many NGOs can bring to Bank-supported operations are their ability to

(a) *reach poor communities and remote areas* with few basic resources or little infrastructure, and where government services are limited or ineffective;

(b) *promote local participation* in designing and implementing public programs by building self-confidence and strengthening organizational capability among low-income people.<sup>2</sup>

(c) *operate at low cost* by using appropriate technologies, streamlined services, and minimal overheads; and

(d) *identify local needs, build upon existing resources, and transfer technologies developed elsewhere.* Some approaches and ideas now prevalent among official development agencies began as NGO innovations.

7. On the other hand, some NGOs' ability to contribute to Bank-financed operations are constrained by a number of factors:

(a) *Limited replicability* of many NGO-sponsored activities that are too small and localized to have important regional or national impact. In attempting to scale up their operations with public sector support, some NGOs may lose their innovative

quality, and become top-down, nonparticipatory, and dependent on external and governmental support;

(b) *Limited self-sustainability.* Like many government programs, many NGO-sponsored projects are not designed with sufficient concern for how activities will be sustained;

(c) *Limited managerial and technical capacity.* Even some professionally staffed NGOs are poorly managed, have only rudimentary accounting systems, and sometimes initiate infrastructure projects with inadequate technical analysis;

(d) *Lack of broad programming context.* Although experience varies by region and sector, NGO development projects often are implemented individually, outside the framework of a broader programming strategy for a region or sector, and with little regard even to other NGOs' activities. Coordination has been recognized as a constraint affecting the NGO community itself as much as the public sector or the donor community (OD 14.30, *Aid Coordination Groups*); and

(e) *Politicization.* Some NGOs combine development concerns with political or religious objectives that limit the extent to which the Bank can work with them while safeguarding its primary relationship with its member governments.

### **Ways of Involving NGOs in Bank-Supported Activities**

8. Although the Bank does not lend directly to them, NGOs can play a role

in selected Bank-supported activities in various ways, in conformity with the relevant government's policies towards NGOs:

(a) *Analysis of development issues.* Bank staff and governments can learn from NGO assessments of official development programs, especially regarding the concerns of low-income groups. There may be a role for NGOs in adjustment programs, especially concerning the social dimensions of adjustment; where the government and the Bank agree that such a role is appropriate, NGOs should be consulted at an early stage. Country economic and sector work on poverty-related issues could also benefit from NGOs' views, particularly those of local NGOs;

(b) *Project identification.* NGOs can be sources of information on intended beneficiaries and technological and institutional innovation (OMS 2.12, *Project Generation and Design*, to be reissued as OD 10.00, *Project Generation and Preparation*). Small NGO programs sometimes become the model for a larger Bank-financed project. NGO staff may also provide consulting expertise for Bank missions;

(c) *Project design.* NGOs may serve as consultants or sources of information for the Bank, government, or local communities during project preparation. In such cases, involvement at an early stage could be helpful;

(d) *Project financing.* Some international NGOs may cofinance a project

or, more likely, finance activities complementary to a Bank-financed project (OMS 1.24, *Co-Financing*, to be reissued as OD 14.20);

(e) *Project implementation*. An NGO may be (i) a contractor or manager engaged by the government and financed from the loan proceeds or through trust funds (OMS 4.40, *Trust Funds*, to be reissued as OD 14.40), (ii) a financial intermediary or a supplier of technical knowledge to local beneficiaries, (iii) an adviser either assisting local beneficiaries to apply for project resources (e.g., credit) or organizing local communities to make use of project facilities, (iv) an independent partner implementing activities complementary to a Bank-financed project, (v) the recipient of a government grant or loan funds,<sup>3</sup> or (vi) the beneficiary of an NGO funding mechanism established by the project; and

(f) *Monitoring and evaluation*. NGOs may assist the government, a project entity, or the Bank in monitoring project progress or evaluating results.

9. Because NGOs find it difficult to fund their involvement during the relatively long planning processes required for Bank operations, the Bank sometimes makes small grants to NGOs from its administrative budget, for example for studies or meetings related to Bank operations. The Special Project Preparation Facility<sup>4</sup> can be used to launch innovative NGO-related activities in Africa. The Bank provides grant funding to strengthen African NGOs dealing with population issues. Grant

funding to facilitate NGO involvement in a Bank-financed project can also be sought from an international NGO or from another official development agency (chiefly bilateral agencies and the European Economic Community). A few bilaterals (notably the Canadian International Development Agency) and multilaterals (mainly the United Nations Children's Fund [UNICEF] and the United Nations Development Programme [UNDP]) provide grants directly to developing country NGOs and NGO associations.

### **Guidelines for Involving NGOs in Bank-Supported Activities**

10. Staff are encouraged whenever appropriate to involve NGOs, particularly local NGOs, in Bank-supported activities along the lines set out in para. 8, bearing in mind the strengths and weaknesses of NGOs (paras. 6-7). However, because of the Bank's relationship to its member governments, staff must operate in the framework of the relevant government's policies regarding NGOs. Given the potential benefit from selective NGO involvement in development activities, staff should encourage constructive working relationships among governments, donors, and NGOs. The Bank may provide advice to interested governments on approaches and policies for encouraging the development of indigenous NGOs as effective development agents. Successful replication of NGO-supported local initiatives may be possible only in a political environment that allows NGOs to flourish and multiply.

11. Staff should be responsive, and encourage governments to be respon-



sive, to NGOs that request information or raise questions about Bank-supported activities, subject to the restrictions set out in Administrative Manual Statement 1.10, *Directive on Disclosure of Information*, including preserving the confidentiality of privileged information and the dialogue between the Bank and the government. If NGOs give the Bank information, the extent of confidentiality should be agreed in advance.

12. A Bank-supported project may well finance NGO-managed programs; however, too much official funding can destroy an NGO's grass roots character, and the administrative costs of funding small NGO projects are sometimes disproportionate to activity costs. Staff should be sensitive to the NGOs' need to ensure that their special status is not compromised as a result of official funding. Staff could also seek to reduce administrative costs for governments and the Bank by working, whenever possible, with NGO organizations and groupings, especially of local NGOs.

13. Any major collaboration with individual NGOs may need to be accompanied by management assistance, for example to improve monitoring and accounting.

#### **Procurement and Disbursement**

14. NGO participation in project execution as contractors or suppliers should meet the criteria set out in the Bank's *Guidelines for Procurement under IBRD Loans and IDA Credits* and in OD 11.00, *Procurement*. However, as

NGO contracts are usually small and involve community participation, international competitive bidding and limited international bidding are normally not feasible, and even open competitive procurement is not always feasible. Shopping or direct contracting is often the most appropriate method of procurement. Direct contracting may be justified where an NGO is the only entity capable of carrying out an activity (e.g., maintenance of feeder roads in remote areas, or the transfer of a particular technology). Contracts with NGOs may need to reflect the fact that NGOs differ from commercial contractors: the contract might therefore stipulate, for example, that NGOs should involve the community in planning and implementation. Similarly, special measures may be required to ensure that NGOs have sufficient liquidity to carry out the contract.

15. When NGOs act as consultants financed through a Bank loan or Bank-executed UNDP project, they should be engaged following the *Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency*, OMS 2.18, *The Development of Local Capabilities and the Use of Local Consultants*, and OMS 2.50, *Services of Consulting Firms for Bank Group Projects and UNDP Studies*.<sup>5</sup> Several Part I countries' consultant trust funds include provisions that would allow their use to hire developing country NGO consultants.

16. When an NGO acts on behalf of a borrower or implementing agency, the standard accounting and audit require-

ments apply. Statements of Expenditure (SOEs) prepared and certified by the NGO normally constitute acceptable documentation for disbursement purposes, subject to the Bank's specific agreement. An independent audit should be carried out (see Circular Op 6/80, *Statements of Expenditure: Interim Guidelines*, filed with OMS 3.30, to be reissued as OD 12.30, *Statements of Expenditure*).

### References in Bank Documents

17. When NGOs are likely to be involved, the Executive Project Summary should indicate their role, and the Project Brief and Staff Appraisal Report should, if appropriate, discuss relevant NGOs and their relation to the project, and describe agreements reached with the government and NGOs regarding NGO involvement in projects that directly affect large groups of low-income people. These would often include (a) agriculture, population, health, and nutrition projects; (b) low-income housing and urban upgrading projects; (c) education and training projects; (d) some structural and sectoral adjustment operations; and (e) projects that involve resettlement or retrenchment. Economic and sector reports could include an analysis of NGO activities, particularly when they focus on poverty reduction.

### Responsibilities

18. Country departments (especially country officers and resident representatives) should make a concerted effort to collect information about NGOs in their respective

countries, including government attitudes toward NGO activities, and incorporate relevant information about and from NGOs into their work. While relying on various inventories and non-Bank sources of information about NGOs, the sector operations divisions are also encouraged to develop knowledge of important NGOs by sector and make their own capability assessments. Where appropriate, staff may organize periodic meetings with NGOs. Staff should, however, keep the borrower government appropriately informed of their contacts with NGOs, and proceed in conformity with that government's policies towards NGOs.

19. Sectoral departments in Policy, Research and External Affairs (PRE) are responsible for maintaining relationships with NGOs that are active on operational aspects of policy in their areas. The External Affairs Department is responsible for cooperation with NGOs in development education and for public information work with NGOs with a serious interest in international development issues.

20. The International Economic Relations Division of the Strategic Planning and Review Department (SPRIE) is responsible for developing and coordinating the Bank's overall relationships with NGOs, subject to guidance provided by senior management and the Board, and keeping the relevant country director informed. SPRIE acts as the Bank's secretariat

for the Bank-NGO Committee, which is a formal forum and focal point for the Bank's discussions with NGOs. SPRIE also fosters new initiatives,

backstops other departments in their work with NGOs, and provides information to operational staff on individual NGOs.

*Source: World Bank Operational Manual*

<sup>1</sup> "Bank" includes IDA, and "loans" include credits.

<sup>2</sup> OED reviews have shown that strong beneficiary organizations improve the prospect of project success by increasing sensitivity to poor people, adapting to the local culture and environment, responding flexibly to changing conditions, and building local commitment to operation and maintenance.

<sup>3</sup> On-lending is more likely for industrial development and finance projects, shelter schemes, and agricultural credit programs; grants are more typical in the education, population, health, and nutrition sectors. Serviced land has also been provided under urban projects for an NGO's community or religious activities, or in population and human resource development projects for the provision of NGO services.

<sup>4</sup> Guidelines on the use of the Special Project Preparation Facility are in (a) the Board paper, *Special Budget Supplement for the Sub-Saharan Africa Action Program*, R84-313, November 20, 1984; (b) the SVPOP memorandum, *Special Project Preparation Facility for Sub-Saharan Africa—Procedures for Implementation*, January 8, 1985; (c) the Board paper, *Special Project Preparation Facility (SPPF)—Proposal to Extend the Facility*, R87-161, June 24, 1987; and (d) the SVPOP memorandum, *Special Project Preparation Facility (SPPF): Approval by the Board*, July 16, 1987.

<sup>5</sup> These OMSs are to be combined and reissued as OD 11.10, *Use of Consultants*.

1. The NGO Unit of OPRPG maintains the following informational resources:

- a computerized NGO profiles database, containing information on over 8,000 organizations;
- a computerized reference collection of over 700 NGO directories and reports;
- a computerized database of Bank-financed projects involving NGOs including approximately 800 projects;
- a Bank-NGO technical dossier of "sample" materials illustrating ways in which the Bank is working with NGOs;
- individual NGO files containing brochures, annual reports, etc. for over 1,100 organizations and over 100 country files containing NGO-related materials; and
- a publications collection of research papers, reports and other documents on NGOs, popular participation, structural adjustment, poverty alleviation, and social investment funds.

2. The informational resources of the NGO Unit provide an institutional memory of Bank-NGO contacts. Task Managers can, for example, use the database as an initial tool to identify potential NGO partners. The NGO Unit has a varied clientele consisting of Bank Operational, Policy, Administrative, and Legal staff; Executive Directors; the IMF; UNDP and other sister UN agencies; bilaterals; governments; universities; international NGOs; national NGOs; consulting firms; the media; and individuals.

3. The NGO Unit maintains four computerized databases and three collections of manually retrievable files:

(i) *NGO Profiles Database*. It can identify NGOs by country, sector, type of NGO, and numerous other fields. Bank staff can use this database, for example, to generate targeted mailing lists to send newsletters or surveys to selected NGOs, or to identify short lists of NGOs to be visited in the course of Bank work. Each profile contains at a minimum the organizations name and address. Preferably, profiles contain much more extensive information including contact names, sectoral activities, background, organizational purpose, and previous experience with funding agencies including the Bank.

(ii) *NGO Directories Database*. Catalogues over 700 NGO directories, inventories, and country-and sector-specific reviews of NGOs, that

have been done by the Bank as well as by other organizations. These are recorded on a Paradox software program from which directories can be accessed by region, country, sector and publisher.

(iii) *Bank-NGO Projects Database.* Lists all Bank-financed, NGO-associated projects identified since FY73, 800 through the end of FY94. It can be sorted by many different variables, including region, country, sector, type of NGO, form of involvement, and rationale for involvement. This database supports the ongoing monitoring of trends and patterns in Bank-NGO operational collaboration.

(iv) *NGO Consultants Roster Database.* Lists over 375 Consultants. These are recorded on Paradox software, and each Consultant can be searched on country, sector, and language qualifications. These Consultants are either known to a member of the NGO Unit or have been recommended by another staff member or a reliable NGO contact. A recent resume is available for each Consultant on the roster.

(v) *Bank/NGO Technical Dossier Collection.* It contains documents which can serve as models for Bank staff seeking increased NGO involvement in Bank-financed projects. The dossier includes examples of, among other things:

- exemplary cases of NGO collaboration in Bank-financed projects;
- mechanisms of NGO participation in specific projects;
- contractual agreements with NGOs involved in Bank-financed projects;
- NGO surveys and inventories;
- models of other donors trying to increase the potential for collaboration with NGOs;
- evaluations of NGO projects and institutional capabilities;
- NGO participation in environmental assessments; and
- options for NGO financing, including the Small Grants Program.

(vi) *NGO Files Collection.* This contains correspondence, memoranda, annual reports, and other information on NGOs with which the Bank has interacted. The files are organized alphabetically by country in the NGO Resource Center. These sometimes contain additional backup information to the NGO Profile Database. General country files also exist for organizing country-specific papers or for filing materials on NGOs for which a separate organizational file has not been opened.

(vii) *Publications Collection.* About 150 papers and reports on NGO-related issues/themes that have been prepared by Bank staff, NGO members of the NGO-Bank Committee, and other NGOs are in the collection. The collection includes, for example, the brochure, *How the World Bank Works with Non-Governmental Organizations*, and the Annual Progress Report to the Bank's Board on "Cooperation Between the World Bank and NGO."

4. The NGO Resource Center (Room S-13-018X) may be visited during normal office hours. Materials may not be removed from the Center, but xerox facilities are available. Arthur Thomas, is available by appointment to assist in accessing information. Requests from the various NGO computerized databases may be addressed to Arthur Thomas by telephone (ext. 31151) or by E-Mail.

## **A. Methodology for Analyzing the NGO Sector**

### **Objective**

To make comprehensive, up-to-date information on the NGO sector in Uganda available and accessible.

### **Outputs**

1. Definition and description of NGO sector, including:
  - organizational and functional characteristics of NGOs
  - origins and motivations
  - geographic coverage
  - range of activities
  - extent and nature of resources deployed
  - sources of funding and other support
  - extent of government/official agency collaboration
2. Classified listing of development NGOs, with basic information on each, including if available:
  - name and address
  - legal status
  - date of formation
  - type(s) of activity
  - geographic coverage
  - present number of staff
  - current annual expenditure
  - sources of funding and other support
  - links with government and/or official agencies
3. Action plan for establishing and maintaining NGO database, covering:
  - data to be stored
  - data collection and verification methods
  - access facilities
  - confidentiality safeguards
  - ownership and control
  - hardware and software requirements
  - preliminary implementation plan and budget

### **Activities**

1. Establish working definition of “development NGO” for the purposes of this study and its intended consequences.

2. Identify, review, and analyze information in existing files and records, including those held by:
  - National Board for NGOs
  - Aid Coordination Secretariat, Office of PM
  - Aid Management Department, MFEP
  - NGO network and ‘umbrella’ organizations—e.g. DENIVA (Development Network of Indigenous Voluntary Agencies), UCOBAC (Uganda Community-based Association for Child Welfare), NAWOU (National Association of Women’s Organizations of Uganda)
  - Official agencies—e.g. UNICEF, UNDP, World Bank, CIDA, DANIDA
3. Devise practical, functional method of classifying NGOs.
4. Set up rudimentary NGO database on MFEP(AMD) computer.
5. Identify potential users of NGO database and analyze their information needs.
6. Determine design factors for appropriate NGO database.

## **B. Methodology for Analyzing NGO Operating Environment**

### **Objective**

To identify factors in the operating environment of NGOs in Uganda that facilitate or impede their work.

### **Outputs**

1. Segmentation and description of NGO operating environment, including the following components:
  - statutory and regulatory
  - governmental and administrative
  - economic and financial
  - physical and infrastructural
  - social and cultural
  - political
2. Analysis of positive and negative factors in NGO operating environment.
3. Analysis of problems and opportunities regarding NGO operating environment, including those related to:



- Facilitation and promotion: (e.g. tax concessions, import duty, sales tax, income tax, etc.).
- Immigration: (e.g. entry permits, passports, advice and guidance, information)
- Support services
- Representation and arbitration
- Regulation: (e.g. registration and criteria of acceptability, restriction and/or direction of activities, returns and reports, institutional and procedural arrangements).
- Coordination: (e.g. nature and extent of desirable coordination of NGO activities one with another, and of NGO activities with government and other agency activities; levels of coordination; location of responsibility and authority for coordination; institutional and procedural arrangements).
- Accountability: (a) extent of accountability to government, beneficiaries, donors; (b) types of accountability, e.g. financial, social, operational; institutional and procedural arrangements; GO (governmental/official agency)—NGO collaboration, e.g. nature and extent of desirable GO-NGO collaboration; modes of collaboration; institutional and procedural arrangements.

## Activities

1. Investigate, by interview, questionnaire, group discussion, or other appropriate means, NGOs' and others' (government, official agencies, qualified observers) perceptions of the NGO operating environment.
2. Identify and review any documented previous analyses, deliberations, proposals, etc., related to the NGO operating environment, e.g.:
  - Proceedings of the Sub-committee of the Aid Coordination Committee (the "NGO monthly meeting" convened by the Aid Coordination Secretariat, Office of PM).
  - Proceedings and report of the Vice-President's Select Committee on NGOs, and associated meetings.
  - Proceedings of the National Board for NGOs.
3. Identify and review structures and statutory instruments, rules and regulations, practices and procedures that help to create the NGO operating environment.
4. Make several field visits with NGOs to observe programs and projects in operation, and to check field staff's and beneficiaries' perceptions of the NGO operating environment.

## C. Identifying Improvement Opportunities

### Objective

To identify policies and strategies, structures and mechanisms, adoption of which may enhance the efficiency and effectiveness of NGOs and assist fuller realization of any comparative advantage they may possess.

### Outputs

1. Analysis of options and approaches for supporting and strengthening the NGO sector and improving its operating environment, including assessment of:

- acceptability
- practicality
- affordability

2. Suggestions for structures and mechanisms for operating, administering, and managing the proposed National Community Action Trust.

### Activities

1. Identify and investigate any recent initiatives to promote or procure changes in government policy and procedures; collaboration and partnership between NGOs, government, and official agencies; scaling up; replication; or any other means of augmenting and making full use of the NGO sector's potential to contribute to national development in general and poverty alleviation in particular, e.g.:

- PAPSCA
- Vice-President's Select Committee on NGO's
- Non-Governmental Organizations Registration Statute 1989, and Regulations 1990, the National Board for Non-Governmental Organizations.

2. Review literature on NGO sector experience in other countries, with particular reference to government policy and NGO-government-official agency collaboration.

3. Identify and analyze issues arising from information and results produced by tasks (1) and (2).

4. Solicit ideas from, and discuss possibilities with, representatives of NGOs, government and official agencies, concerning options and approaches for supporting and strengthening the NGO sector and improving its operating environment.

SOURCE: World Bank, *Republic of Uganda: The Role of NGOs and Community-based Groups in Poverty Alleviation*. Report No. 12262-UG. Washington: World Bank, Eastern Africa Department, Population & Human Resources Division.

**A. Peru: Basic Health and Nutrition Project**

For an NGO to be considered to participate in an activity of the Peru Basic Health and Nutrition Project, it should comply with minimum requirements which support its operation and participation.

**Legal bases which support its operation and participation in the field of health and nutrition:**

- Legal entity.
- Registration as an NGO in the Ministry of Health (information should be updated at the time of the request for proposals).
- In the case of a joint proposal in association with another NGO or similar institution, signed document of agreement. The other NGO or similar institution should also comply with the same legal bases.

**Qualifying Criteria***1. Operational and Contracting Capacity:*

- Physical infrastructure and vehicles available in Project areas. Information and communication system (i.e. telephone) available in offices.
- Human resources (directors, professionals, technical and administrative personnel) with job stability and/or contracted (with date of entry in NGO). Indicate specializations. Indicate which human resources will be assigned to the activity to be contracted with the Project.
- Administrative capacity which ensures management of resources and timely compliance of activities (accounting systems in place, administrative procedures used, list of suppliers, bank account statements, most recent sworn income tax declaration).
- Capacity to present guarantees (bank, assets, etc.).
- Balance sheets and audits for the year prior to the request for proposals.

*2. Experience:*

- Number of years NGO in operation.
- Number of years working in Project areas.
- With respect to all the NGOs' activities, a list indicating the assignment of directors and personnel to each activity (first and last names).
- Specifically in the areas of health and nutrition, a list indicating the assignment of directors and personnel to each activity (first and last names).

- Evaluation reports which indicate results obtained, positive or negative, in each of the experiences mentioned.
- Prior work and capacity to coordinate and integrate with the community, the Ministry of Health, other NGOs and related entities.

### 3. *Strategic and Methodological Proposal:*

- Strategic proposal (way of approaching and carrying out activities in the context of community development, taking into account ease of replication or adaptation and approach to follow to achieve sustainability of activities at Project completion.
- Operational plan for activities under NGO's responsibility:
  - proposed methodologies and processes
  - stages considered
  - schedule of activities
  - resources assigned to Project (in case of human resources, indicate first and last names, specializations or occupation).
- Budget: percent of budgetary resources assigned to:
  - personnel assigned to activity
  - material inputs
  - administrative expenses
  - overhead expenses

*SOURCE: Peru Basic Health and Nutrition Project, Staff Appraisal Report.*

## **B. BURKINA FASO: Projet de Securite Alimentaire ed de Nutrition**

### **Critères de Sélection des ONGs**

1. Etre une ONG oeuvrant au Burkina Faso et être reconnue comme telle par le Bureau de Suivi des Organisations Non Gouvernementales (BSONG).
2. Avoir fourni la fiche d'identification et postuler à la sélection pour la mise en oeuvre du Projet.
3. Avoir été formée ou prête à être formée aux méthodes d'identification, de préparation et de présentation des projets ainsi qu'à la tenue des compte d'un projet.
4. Avoir été formée ou prête à être formée à la méthode GRAAP de façon à diffuser en particulier des messages d'éducation nutritionnelle et à pouvoir participer à une campagne intensive de communication de personne à personne selon la méthode GRAAP et la méthode communautaire.
5. Disposer d'un personnel remplissant les critères minimaux d'aptitude à suivre les formations en gestion de projets et à la méthode GRAAP (volet éducation nutritionnelle).
6. Fournir les preuves de son expérience, de sa viabilité (nom, date de création, province, type d'activités, principaux projets exécutés, résultats, population, couverte, structure, nombre d'employés) et toutes autres informations permettant de juger de la qualité des prestations de l'ONG.

*SOURCE: Abdou Drabo.*

## ANNEX VI. SAMPLE CRITERIA FOR ASSESSING THE CAPACITY OF CBOs

The following checklist contains questions which should allow you to assess the strengths and weaknesses of a community organization. For each question the answer signifying the ideal situation is scored with a 5, the worst situation is scored with a 1. You should base your score for each question on as wide a variety of sources as possible. Where a question is not applicable score '0' and recalculate % at end of each component.

### A. Internal

#### 1. Purpose

1.1 For the members is the organization's purpose:

unclear					clear
1	2	3	4	5	

1.2 Is the purpose:

contested					uncontested
1	2	3	4	5	

1.3 Is the purpose chosen:

unrealistic					realistic
1	2	3	4	5	

1.4 Is the purpose legitimately chosen by the membership?

not at all					completely
1	2	3	4	5	

SCORE:  $\frac{\text{score}}{20} \times 100 = \%$

#### 2. Identity

2.1 Does the organization show an individual identity in what it does?

not at all					very much
1	2	3	4	5	

2.2 Is the organization:

induced					indigenous
1	2	3	4	5	

2.3 Who "owns" and controls the organization?

outsiders					members
1	2	3	4	5	

2.4 Is mutual social control operating?

not at all					very much
1	2	3	4	5	

SCORE: /20 X 100 = %

### 3. Structure

3.1 Is leadership legitimately selected and controlled by members?

not at all					very much
1	2	3	4	5	

3.2 Are tasks defined consistent with purpose?

not at all					very much
1	2	3	4	5	

3.3 Are tasks allocated according to member's skills?

not at all					very much
1	2	3	4	5	

3.4 Does the structure serve the interests of:

an individual					all members
1	2	3	4	5	

3.5 Are all needed skills present:

not at all					completely
technical	1	2	3	4	5
administrative	1	2	3	4	5
managerial	1	2	3	4	5
implementing	1	2	3	4	5

3.6 Are decisions taken consultatively?

not at all					very much
1	2	3	4	5	

3.7 Is the organization tailored to its purpose?

not at all					very much
1	2	3	4	5	

3.8 Do member's experience decision-making as being equitable?

not at all					very much
1	2	3	4	5	

SCORE /55 X 100 = %



#### 4. Systems and procedures

4.1 Does the organization have a proven capability to effectively:

	not proven				proven
set priorities	1	2	3	4	5
plan	1	2	3	4	5
direct & manage	1	2	3	4	5
co-ordinate	1	2	3	4	5
budget	1	2	3	4	5
implement	1	2	3	4	5
evaluate	1	2	3	4	5
document	1	2	3	4	5
learn & change	1	2	3	4	5

4.2 Does the organization have a proven capability to effectively:

select	1	2	3	4	5
assess	1	2	3	4	5
train	1	2	3	4	5
reward & censure its staff?	1	2	3	4	5

4.3 Do the systems and procedures serve the interests of:

an individual					everyone
1	2	3	4	5	

4.4 Do the systems and procedures protect against mismanagement?

not at all					completely
1	2	3	4	5	

4.5 Do systems function to mediate in conflict situations?

1	2	3	4	5
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4.6 Is the information required to function:

	not at all				always
correctly chosen	1	2	3	4	5
systematic collected	1	2	3	4	5
actually used	1	2	3	4	5
shares with those concerned	1	2	3	4	5

4.7 Is information used as a tool of power by the leadership?

always					not at all
1	2	3	4	5	

SCORE /105 X 100 = %

## 5. Motivation and incentives

5.1 Does the organization offer a variety of incentives?

not at all					very much
1	2	3	4	5	

5.2 Are members motivated?

not at all					very much
1	2	3	4	5	

5.3 Are incentives equitably allocated?

not at all					very much
1	2	3	4	5	

5.4 Are incentives positively comparable with similar organizations?

not at all					very much
1	2	3	4	5	

5.5 Have members expectations of the organization been fulfilled?

not at all					very much
1	2	3	4	5	

5.6 Are the incentives sustainable?

not at all					very much
1	2	3	4	5	

5.7 Is the timing of benefits what the members want and need?

not at all					very much
1	2	3	4	5	

## 6. Resources

6.1 What is the source of the resources the organization depends on?

	external				internal
human	1	2	3	4	5
financial	1	2	3	4	5
natural environment	1	2	3	4	5
capital equipment	1	2	3	4	5
recurrent finance	1	2	3	4	5
recurrent materials	1	2	3	4	5

6.2 Is external resource dependence:

very high					very low
1	2	3	4	5	

6.3 Is supply of resources:

very insecure					very secure
1	2	3	4	5	

6.4 Do the resources used negatively affect "ownership" by the community?

very much					not at all
1	2	3	4	5	

6.5 Will the needed resources eventually be self-generated?

not at all					completely
1	2	3	4	5	

## 7. Technologies

7.1 How do the technologies affect the physical environment?

degrade			no effect		enhance
1	2	3	4	5	

7.2 How do technologies affect dependence on the external environment (economic, physical)?

increase			no effect		decrease
1	2	3	4	5	

7.3 How do technologies affect work burdens on particular social groups (e.g., women)?

increase					reduce
1	2	3	4	5	

7.4 How do technologies affect vulnerability of particular social groups (e.g., women landless)?

increase					reduce
1	2	3	4	5	

7.5 Are the technologies appropriate for the organization's:

	very little				very much
purpose	1	2	3	4	5
identity	1	2	3	4	5
skills	1	2	3	4	5
management					
capacity	1	2	3	4	5

7.6 Have the technologies chosen given the expected:

	very little				very much
short term					
benefits	1	2	3	4	5
long term					
sustainable					
benefits	1	2	3	4	5

SCORE: /50 = %

## 8. Harmony

8.1 Are all the organizational components interrelated in a positive way?

very little				very much
1	2	3	4	5

8.2 Is the organization effective?

1	2	3	4	5
---	---	---	---	---

8.3 Is internal conflict:

frequent				uncommon
1	2	3	4	5

8.4 Are all components taken into account when changes are made?

not at all				always
1	2	3	4	5

## B. External

### 1. Performance

1.1 Does the organization achieve its purposes and objectives?

not at all				always
1	2	3	4	5

1.2 Do the achievements compare well with similar organizations?

not at all				always
1	2	3	4	5

1.3 Are indirect positive effects to be seen outside of the organization due to its activities?

not at all				always
1	2	3	4	5

1.4 Is the organization's efficiency:

very low

very high

1

2

3

4

5

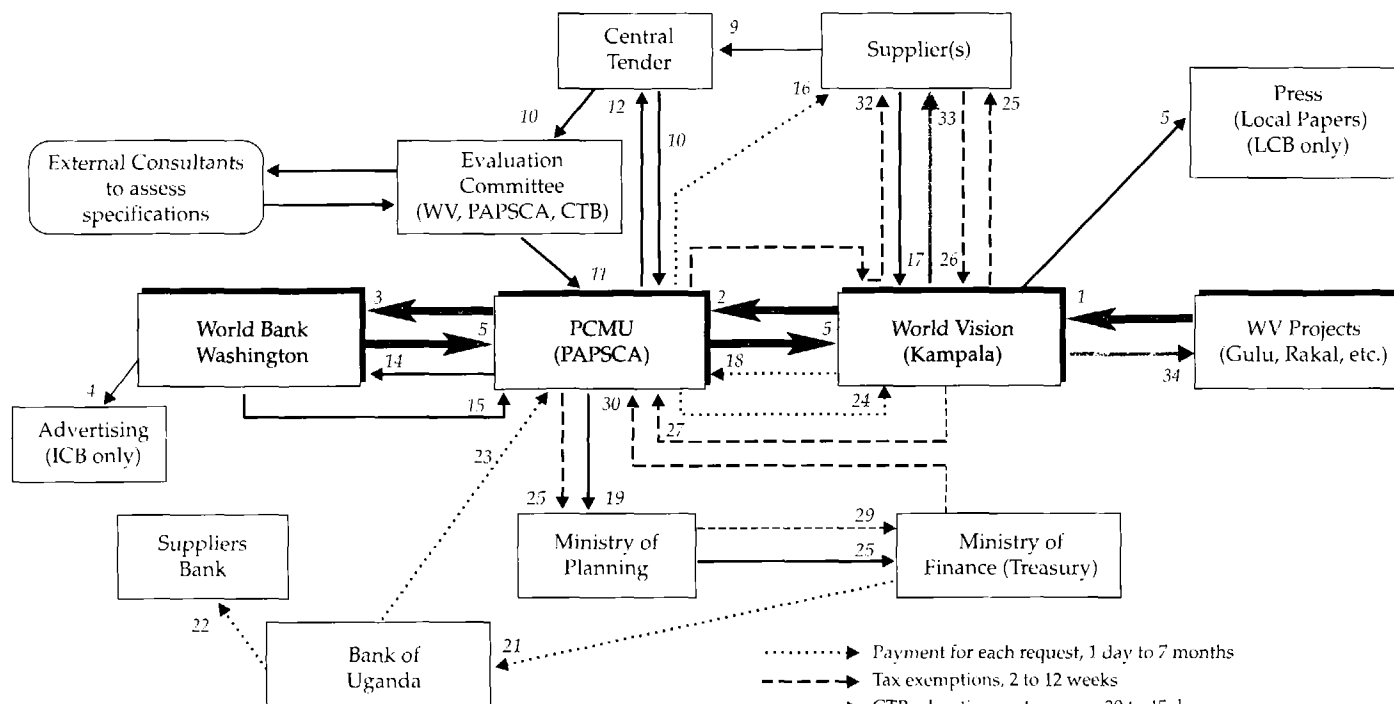
SCORE: /20 X 100 = %

Notes: In your analysis of the scores please bear in mind that:

1. The different components are not necessarily of equal importance in determining how a particular organization functions.
2. The score will reflect the stage of development of the organization and of the project.

*SOURCE: Alan Fowler, (date unknown)*

### ICB (Internal Competitive Bidding)/LCB (Local Competitive Bidding)\*



\* Major difference between ICB and LCB:

- Advertising period f ICB - 45 days, LCB - 30 days
- At least 3 months delivery for items procured through ICB, 1 month for LCB
- For shopping method (off-shelf, no advertising), 1-4 weeks

Estimated time to complete procurement procedure is 8 1/2 to 24 months. The chart does not show where items get stuck or go back and forth between areas. See attached key for explanation and time line for each step.

Step No.	KEY FOR THE CHART	Approximate time taken for each step
1	The projects requisition for supplies is forwarded to the Programme Manager.	
2	The request to procure using a particular procurement method is forwarded by World Vision to the PCMU for approval and onward transmission. This goes with the tender document and the proposed invitation for bids (IFB).	2–6 weeks
3	The endorsed request and documentation is transmitted by the PCMU to the Task Manager — World Bank.	1–7 Days
4	The Task Manager — World Bank — is responsible for advertising the IFB in the <i>UN Business Journal</i> . This only applies to the ICB procurement method.	45 Days
5	Approval to procure is returned by the World Bank back to the PCMU.	2–4 Weeks
6	Transmission of the approval by the PCMU to World Vision.	1–7 Days
7	The copy of the tender document is sent by World Vision to CTB for their information. CTB endorses the IFB before it is put out in the local press. They also confirm the date for bid opening.	1–2 Days
8	The signed IFB is returned to World Vision.	1 Day
9	World Vision places the IFB advert in the local papers i.e. <i>New Vision</i> and <i>Weekly Topic</i> .	30–45 Days
10	Eligible bidders submit their bids to CTB for public opening.	30–45 Days
11	The opened bids are passed by CTB to the Evaluation Committee which is comprised of members from CTB, PAPSCA and World Vision.	1–3 Days
12	The Evaluation Committee forwards the evaluation report to the PCMU for verification.	1–3 Weeks
13	PCMU sends the evaluation report with a covering letter to CTB, for consideration.	2–7 Days
14	CTB approvals and/or any queries are channeled to PCMU-PAPSCA.	1 Week
15	PCMU sends the CTB approval and evaluation report to the Task Manager for further approval.	1–2 Weeks

16	The World Bank approval to award contract to the best bidder is sent back to the PCMU.	2–4 Weeks
17	PCMU sends notification of award to the supplier, a copy to World Vision.	2–7 Days
18	On receipt of the notification of award, the supplier contacts World Vision to sign the contract and to provide a performance bond, a necessary requirement before payment is done.	1–14 Days
19	World Vision sends a copy of the signed contract and the performance bond to the PCMU	1 Day–3 Weeks
20	PCMU submits an application for payment.	
21	The application is endorsed and forwarded by the Permanent Secretary for Planning, to Ministry of Finance.	
22	Ministry of Finance, having finalized the formalities in their office, transmits it to Bank of Uganda.	
23	Bank of Uganda transfers the necessary funds to the supplier's bank.	2 Weeks–7 Months
24	Bank of Uganda confirms to PAPSCA, the transfer of funds to the supplier's bank. It is really the responsibility of the PCMU to follow up and obtain this confirmation when available.	
25	PCMU notifies World Vision of the payment.	
26	World Vision requests the supplier to provide documentation, i.e., bill of lading, invoice, etc., necessary for obtaining sales and duty tax exemption.	1 Day
27	Supplier avails the above information to World Vision.	2–3 Weeks
28	World Vision forwards application for tax exemption to the PCMU.	1 Day
29	PCMU forwards the endorsed application to the Permanent Secretary, Ministry of Planning.	1–3 Days
30	The application, endorsed by the Permanent Secretary, is then sent to the Ministry of Finance. Nobody, whosoever, is allowed to endorse the application on behalf of the PS. In case he/she is traveling, then it has to wait for his/her return.	2–7 Days



31	Ministry of Finance provides the tax exemption to World Vision.	1–3 Months
32	World Vision avails the tax exemption to the suppliers.	1 Day
33	The supplier clears the goods and delivers them to World Vision.	1 Week–3 Months
34	World Vision distributes the goods to her projects. The major difference in the procedures really lies in:	1–2 Weeks
	a) advertisement	Total Min—
	b) delivery schedule	34 Weeks–104 Weeks
		8 1/2 months–26 months
		2 years

The ICB procurement method requires an advertisement period of at least 45 days, and LCB requires at least 30 days. An allowance of at least three months is given for delivery of items procured through the ICB method and one month for LCB. Whereas, these two methods involve advertisement, LIB and shopping do not. Bids are solicited directly from preferred suppliers. The delivery period varies from two weeks to three months, depending on which method is used. Otherwise, all the other steps apply for all procurement methods.

The flow chart assumes that there is a smooth flow between points, irrespective of time taken. However, this is not always so. In some instances there has been repeated movement back and forth, which is attributed to a) the need for further information/clarification in respect of technical specifications, and tender offers; b) loss of documentation; and c) poor tender response.

The following are some examples:

1. Between step 1 and 2, repeated movement has been caused by the fact that what the projects request for is not exactly what is available in the market and/or there exist better alternatives. The procurement team therefore, avails the details and liaising with the Project Managers to determine the most suitable technical specifications, for the items required. This also involves liaising with appropriate technical personnel, to be able to obtain the right technical specifications, for the items required. This has particularly been the case with the required nine (9) motorcycles.
2. Between steps 13 and 14, there are times when CTB requests to know why we require to procure a particular item and not the other. For instance, in the case of the radios, they objected to direct contracting from

a single source—Codan UK—and insisted that quotations for other types of radios, also be provided and, even then, when the quotations were availed, they sent them to Posts and Telecommunications Office for verification of offers and advice. This step may be represented by a dotted line between CTB and consultants. This cost us a time lapse of one month. Similarly, the projects required maize seed of Kenya Hybrid, but CTB queried this requirement on the grounds that there is another type of hybrid produced in the country. At the same time, they declined to award to those who bid but required that the seeds be bought from the Ministry of Agriculture. This constituted loss of much time considering that we had already gone through the tendering process and this particular Ministry did not bother to bid in the first place. Therefore, it meant we had to start the procurement process all over. This is also true of the agriculture chemicals which we needed to procure, and whereby a tender had been put out.

3. In some instances, we have gone as far as step 14 in the procurement process and then had to start all over again, from step 2. A good example is that of the required motorcycles, vehicles, seeds, and chemicals. Response was so poor that any awards were not possible. There were completely no offers for motorcycles. Through the PCMU, another request to procure using shopping method had to be obtained for the motorcycles and two vehicles, whereby it was granted. The balance requirement of two vehicles had to be readvertised. After advertising the tender for seeds and chemicals, the response was also poor and we have had again to shop for the requirement.

4. Because the payment process has been overstretched, some documents have been misplaced in the PCMU's office—extra copies of the documents have had to be provided. This has been true of the documents for radios, bicycles and construction materials (iron sheets). Similarly, in respect of radios, there was a time we had to provide another set of documents to CTB because they had lost their copies.

**KEY:**

WV—World Vision

WB—World Bank

IFB—Invitation for Bids

PCMU—Project Coordinating and Monitoring Unit

CTB—Central Tender Board

ICB—International Competitive Bidding

LIB—Limited International Bidding

LCB—Local Competitive Bidding

PS—Permanent Secretary

*SOURCE: Voorhies, 1993*

The following is a simplified form of competitive bidding which was tested in the pilot of the *Ethiopian Social Rehabilitation Fund (ESRF)*. It was used by community groups who were expected under their respective contracts to hire contractors through competitive bidding. When the community groups lacked adequate institutional capacity, the PIU provided or arranged to provide administrative support. The process was also simple enough to encourage the participation of local based contractors. Sometimes it was possible to require such contractors to hire labor from the community. Further, the process is more transparent, increases accountability, and above all encourages competitive commercial practices at grassroots level.

The process was found useful for construction contracts for standard infrastructure like small primary schools, latrines, sewerage systems, primary health centers. In Ethiopia, the average price of such contracts was less than US \$50,000. In the case of rural infrastructure, a variety of standard designs approved by the concerned Government Bureau were provided. This has also been done in Senegal and helps communities to price the contract without much technical assistance.

The decision among the various bids in Ethiopia was made by a committee consisting of the office bearers of the community group which is called the Microproject Committee, the technical advisor or NGO if any and a representative of the Fund. In Ethiopia, this was the microproject officer who appraised and supervised the microproject.

The documents are based mainly on the documents used in ESRF, but also rely on similar processes used in Gambia, Niger and Senegal. The documents have been cleared with the legal department and the procurement officers within the Bank as illustrative documents. But they will have to be reviewed for validity within the specific regulatory system of the Borrower. The documents should be translated into the local language for use by community groups and small scale entrepreneurs.

## **INSTRUCTION TO BIDDERS**

### **1. Description of Works**

1.1 The works to be executed under this contract include construction of \_\_\_\_\_, (hereinafter referred to as "The Works").

### **2. Cost of Bidding**

2.1 The bidder shall bear all costs associated with the preparation and submission of his tender and the \_\_\_\_\_, hereinafter referred to as "The EMPLOYER" will in no case be responsible or liable for these costs, regardless of the conduct or outcome of the bidding process.

### **3. Eligibility and Qualification Requirements**

3.1 This invitation to tender is open to all domestic bidders that shall provide evidence satisfactory to the Employer of their eligibility and of their capability and adequacy of resources to carry out the contract effectively.

### **4. Site Visit**

4.1 The bidder is advised to visit and examine the site of works and its surroundings and to obtain for himself on his own responsibility all information that may be necessary for preparing the tender and entering into a contract. The costs of visiting the site shall be at bidder's own expense.

### **5. Content of Tendering Documents**

5.1 The set of tender documents issued for the purpose of tendering includes the following:

- 1) Instruction to Bidders
- 2) Special Conditions of Contract
- 3) Technical Specifications
- 4) Bill of Quantities
- 5) Form of Agreement
- 6) Drawings

5.2 The bidder is expected to examine carefully all instructions, conditions, forms, terms, specifications, and drawings in the tendering documents. Failure to comply with the requirements of tender submission will be at the bidder's own risk.

## **6. Clarification of Tendering Documents**

6.1 A prospective bidder requiring any clarification of the tender documents may notify the Employer in writing or by cable at the Employer's address indicated in the invitation to tender. The Employer will in genuine case respond in writing or by cable to any request for clarification which he receives earlier than [ ] days prior to the deadline for the submission of bids. Written copies of the Employer's response (including a description of the inquiry but without identifying its source) will be sent to all prospective bidder who have pursued the tender documents.

## **7. Amendments to Bidding Documents**

7.1 At any time prior to the deadline for submission of tenders, the Employer may, for any reason, whether at his own initiation or in response to a clarification requested by a prospective bidder, modify the tender documents by the issuance of an Addendum.

7.2 The Addendum will be sent in writing or by cable to all prospective bidder who have purchased the tender documents and will be binding upon them. Bidders shall promptly acknowledge receipt thereof by cable to the Employer.

## **8. Language of Tender**

8.1 The tender prepared by the bidder and all correspondence and documents relating to the bid exchanged by the bidder the Employer shall be written either in English or local languages. Supporting documents and printed literature furnished by the bidder with the tender may also be in the same language.

## **9. Documentation Comprising the Tender**

9.1 The tender to be prepared by the bidder shall comprise the following: the Form of Tender and Appendix thereto; the Tender Security, the Bill of Quantities, the information on Eligibility and Qualification and any other material required to be completed and submitted in accordance with the Instruction to Bidders embodied in these bidding documents.

## **10. Tender Price**

10.1 The rate and prices quoted by the bidder shall be fixed for the duration of the contract and shall not be subject to adjustment on any account except as otherwise provided in the conditions of the contract.

## **11. Tender Validity**

11.1 Bids shall remain valid and open for acceptance for a period of days after the date of tender opening prescribe in Clause 16.

## **12. Format and Signing of Tender**

12.1 The bidder shall prepare one original and two copies of the documents comprising the tender as described in subclause 9.1 of these Instruction to bidders, bound with the volume containing the Form of Tender, and clearly marked "ORIGINAL" and "COPY" as appropriate. In the event of any discrepancy between these documents, the original shall prevail.

12.2 The original and copies of the tender shall be typed or written in indelible ink and shall be signed by person or persons duly authorized to bind the bidder to the contract. Proof of authorization shall be furnished in the form of a written power-of-attorney, which shall accompany the bid. All pages of the bid where entries or amendments have been made shall be initialed by the person or persons signing the bid.

## **13. Sealing and Marking of Tender**

13.1 The bidder shall seal the original and each copy of the bid in separate envelope, duly marking the envelopes as "ORIGINAL" and "COPY" as appropriate, and forward both to the Employer.

13.2 The envelopes containing the original and the copy

1) be addressed to ....

2) bear the following identification

i) Bid for \_\_\_\_\_

ii) Ref. No. \_\_\_\_\_

iii) Name of microproject \_\_\_\_\_

iv) the word "DO NOT OPEN BEFORE" \_\_\_\_\_

## **14. Deadline for Submission of Tender**

14.1 Bids must be received by the Employer at the address specified above not later than \_\_\_\_\_. Any bid received by the Employer after the \_\_\_\_\_ will be returned unopened to the bidder.

## **15. Tender Opening and Evaluation**

15.1 The Employer will open the bids, in the presence of all bidders or their duly authorized representative who choose to attend, at

at the following location \_\_\_\_\_. The bidders' representatives who are present shall sign a register evidencing their attendance.

15.2 Prior to the detailed evaluation of bids, the name of the bidder and total amount of each bid, and of any alternative bids if they have been requested or permitted, should be read aloud and recorded when opened. The Employer should ascertain whether the bids meet the eligibility requirements have been properly signed; are accompanied by the required securities; are substantially responsive to the bidding documents; have any material errors in computation; and re otherwise generally in order.

15.3 If a bid is not substantially responsive, i.e., it contains material deviations from or reservations to the terms, conditions and specifications in the bidding documents, it should not be considered further. The bidder should not be permitted to correct or withdraw material deviations or reservations once bids have been opened.

15.4 The factors that will be taken into consideration in evaluating the bids include: general experience in similar projects (5-10%); adequacy of proposed work plan including methodology, involvement of communities, logistics, and innovative suggestions (20-40%); professional qualifications of key personnel, knowledge of local conditions, language, and training experience (if relevant) (40-60%).

## **16. Award of Contract**

16.1 The Employer will award the contract to the bidder whose bid has been determined to be substantially responsive to the bidding documents as stated above, and who has offered the lowest Evaluated Bid Price, provided further that the bidder has the capability and resources to carry out the contract effectively.

16.2 Prior to the expiration of the period of the bid validity prescribed by the Employer, the Employer will notify the successful bidder in writing that his bid has been accepted. This "Letter of Acceptance" shall name the sum of which the Employer will pay to the contractor in consideration of the execution, completion and maintenance of the works by the contractor as prescribed by the contract. (hereinafter and in the condition of contract called "The Contract Price")

16.3 Along with the notification to the successful bidder that his bid has been accepted, the Employer will also send the Form of Agreement provided in the bidding documents, incorporating all agreements between the parties.

16.4 Within [ ] days of receipt of the Form of Agreement, the successful bidder shall sign the Form and return to the Employer.

16.5 The Employer may reject all bids. All bids should not be rejected and new bids invited on the same specifications solely for the purpose of obtaining lower prices, except in cases where the lowest evaluated bid exceeds the cost estimates by a substantial amount. Rejection of all bids is also justified when bids are not substantially responsive or there is lack of effective competition. If all bids are rejected, the Employer should review the causes justifying the rejection and consider making either revisions in the specifications or modifications in the microproject or both before inviting new bids.

*SOURCE: Marc, A. and G. Gopal., 1994*



**Terms of Reference**

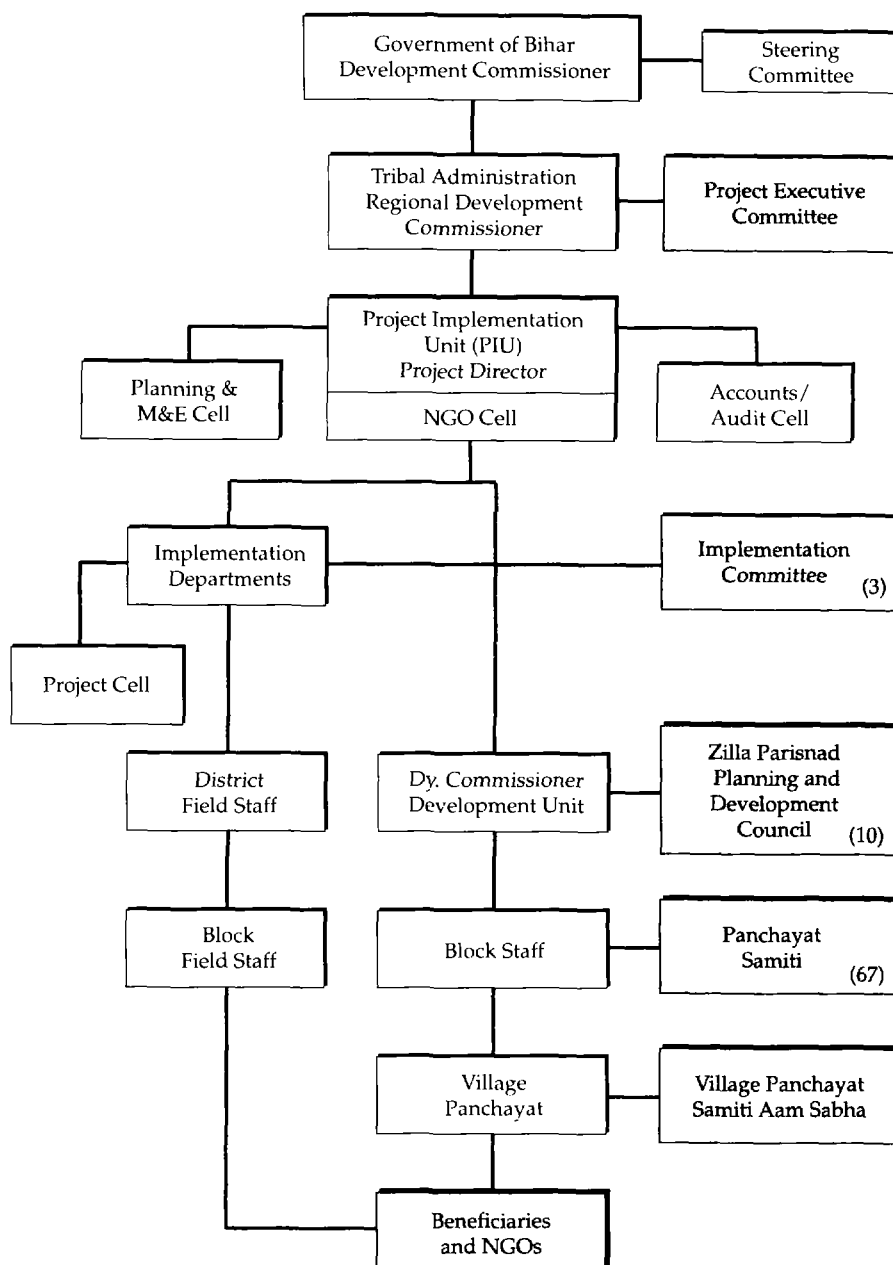
**NGO Cell**

1. The NGO Cell will function under the control of the Project Director. The cell will consist of a Sociologist/Anthropologist and an Office Manager. The specific responsibilities of the NGO/Environmental Cell will include the following:

- i. ensuring representation of NGOs in various committees as prescribed;
- ii. establishing a system for regular consultation and exchange of information with NGOs and beneficiary groups. This should include the convening of half-yearly NGO workshops and publication of a newsletter at the project level and holding meetings with NGOs at the district level on a regular basis. The consultation and communication process should include discussion of project concepts, innovative ideas, environmental and other issues and dissemination of information on ongoing, proposed and completed project activities. The cell may fulfill this responsibility partly through NGOs on a contract basis;
- iii. identifying activities to be implemented by NGOs and to be included in the Annual Plans in consultation with the RDC, Project Director, DCs/DDCs, implementing line agencies and NGOs.
- iv. standardizing methodologies, procedures and norms for the major field activities such as beneficiary organization and field training to be implemented during the year;
- v. negotiating with NGOs for implementation of the identified activities, field proposals for the same and for activities identified by NGOs which fall within the purview of project activities and oversee the processing of these proposals. Finalize the Annual Plan and the Annual Budget. The Annual Budget should also include a provision of 201% of the estimated budget for identified activities for NGO activities which may be identified during the course of implementing the annual plan;
- vi. regular monitoring and evaluation of NGO activities being implemented with financial assistance from the project with concerned line agencies, DDCs and hired consultants;

- vii. review all specific investment proposals of the project with respect to participatory process and social concerns. The review of participatory processes should include a check on whether the prescribed participatory processes for planning have been systematically carried out. The social review should examine all investment proposals in the block for a specific component to ensure that as a group of investment activities, they have been designed to primarily benefit SC, ST groups;
- viii. monitor the social impact of all project activities, highlight the positive impact and suggest corrective measures if negative impacts are identified;
- ix. maintain a database on NGOs and Beneficiary Organizations in the project area; and
- x. prepare annual reports with specific reference to NGO and people's participation in project activities, social and environmental impacts and mitigating measures.

**INDIA**  
**Bihar Plateau Development Project**  
**Organogram**



- Government Officials  
 People's Representatives/NGOs/Government Officials

Source: Bihar Plateau Development Project, Staff Appraisal Report.

**CONTRAT TYPE ENTRE LES GROUPEMENTS VILLAGEOIS, LES SERVICES D'ENCADREMENT (CRPA ET DPET) ET LE PROGRAMME SPECIAL CES-AGF DANS LE PLATEAU CENTRAL POUR L'EXECUTION DES OPERATIONS DE CONSERVATION DES EAUX ET DES SOLS, D'AGROFORESTERIE ET D'INTENSIFICATION AGRICOLE**

**I. Objet**

Aménagement de Conservation des Eaux et des Sols des Champs regroupé du G.V de ..... (superficie estimée à ..... ha), situé à ..... quartier .....

**II. Consistance des Travaux**

Les travaux d'aménagement comprendront:

- Des travaux collectifs de protection du périmètre (protection amont) - fossé ou muret de garde par exemple - correction des oueds, blocage des ravines, établissement des diguettes, traitement des exutoires etc.)

**III. Engagement du Programme**

Le Programme s'engage à:

1. Etablir avec les exploitants un projet d'exécution de l'aménagement (délimitation, choix des techniques, ouvrages prévus, le volume de travail, calendrier etc.);
2. Assurer la formation technique de cinq délégués choisis par le groupement;
3. Remettre au G.V les lots de petit matériel prévu;
4. Tenir à la disposition des exploitants groupés pour l'achat au comptant des charrettes de transport;
5. Effectuer le tracé et le piquetage des courbes de niveau; Sur demande du G.V:

6. Effectuer un labour (et/ou un sous-solage) sur le tracé des ouvrages prévus (fossés) ou banquettes;
7. Aider au transport des pierres de la carrière à l'aménagement pour la confection des ouvrages collectifs si le projet d'aménagement nécessite un approvisionnement important avec une carrière située des distances de 0,5 à 5 km.

#### **IV. Engagement du Groupement Villageois (Hommes et Femmes)**

1. Désigner cinq délégués qui seront formés aux techniques de CES (notamment au tracé des courbes de niveau au oyen du niveau à eau) et seront responsables de l'exécution des travaux,;
2. Fournir la main d'oeuvre nécessaire à l'exécution de l'aménagement pendant la période prévue, notamment:
  - Par le ramassage ou l'extraction des pierres, si nécessaire leur chargement dans le véhicule de transport et leur mise en oeuvre pour la construction des ouvrages;
  - Pour l'exécution des ouvrages collectifs prévus d'accord parties.
3. Veiller à ce que les délégués villageois formés donnent aux exploitants les conseils et appuis techniques pour l'exécution d'aménagement anti-érosifs dans leur propre parcelle, notamment le tracé des courbes de niveau;
4. Organiser les prêts des lots d'outils en fonction des besoins des exploitants;
5. Assurer un entretien suffisant des ouvrages collectifs et des parcelles familiales des exploitants;
6. Organiser la récolte des graines d'Andropogon pour la végétalisation des diguettes, si elle a été prévue par le projet d'aménagement en leur semis à l'amont des fossés ados;
7. Apporter un appui aux équipes mobiles d'appui pour la réalisation des travaux.

*SOURCE: Abdou Drabo, AFT.*



**LIST OF PROJECTS  
REFERRED  
TO  
IN THE GUIDE**





Albania Rural Poverty Alleviation Pilot Project  
 Argentina Maternal Health and Child Health and Nutrition Program  
 Bangladesh Jamuna Bridge Project  
 Bangladesh Second Road Rehabilitation and Maintenance Project  
 Benin Food Security Project  
 Benin Natural Resources Project  
 Bolivia Integrated Health Development Project  
 Brazil Innovations in Basic Education Project  
 Brazil Itaparica Resettlement and Irrigation Project  
 Brazil Mato Grosso Natural Resources Management Project  
 Brazil North East Rural Development project  
 Brazil Rondonia Natural Resources Management Project  
 Burkina Faso Food Security and Nutrition Project  
 Burkina Faso Population and AIDS Control Project  
 Cameroon Food Security Project  
 Cameroon Western Highlands Rural Development Project  
 Chad Social Development Action Project  
 China Irrigated Agriculture Intensification Project  
 Ecuador Lower Guyanas Flood Control Project  
 Egypt Emergency Social Fund  
 Egypt Matruh Natural Resource Management Project  
 Ethiopia Social Rehabilitation Fund  
 Ghana Program to Mitigate the Social Costs of Adjustment  
 Ghana Second Health and Population Project  
 Guatemala Earthquake Reconstruction Project  
 Guatemalan Social Investment Fund  
 Guinea Equity and School Improvement Project  
 Guinea National Environmental Action Plan  
 India Bihar Plateau Development Project  
 India Integrated Watershed Development Project  
 India National Cataract Blindness Control Project  
 India National Sericulture Project  
 India Sardar Sarovar Dam and Power Project  
 Indonesia Yogyakarta Rural Development Project  
 Liberia Second Education Project  
 Mali Health Development Project  
 Nepal Bhairawa Lumbini Groundwater Irrigation III Project  
 Nepal Rural Water Supply and Sanitation Project  
 Pakistan Balochistan Primary Education Project  
 Paraguay Caazapa Rural Development Project  
 Peru Basic Health and Nutrition Project  
 Philippines Health Development Project

Senegal Second Public Works and Employment Project  
Sierra Leone Eastern Agricultural Development Project III  
Sri Lanka Health and Family Planning Project  
Tajikistan Reconstruction Project  
Togo Grassroots Development Initiative  
Trinidad and Tobago Population Project  
Turkey Fifth Livestock Project  
Uganda Forestry Rehabilitation Project  
Uganda Program to Alleviate Poverty and the Social Cost of Adjustment  
Yemen Second Education Project  
Zaire Ituri Livestock Development Project  
Zambia Lusaka Squatter Upgrading and Sites and Services Project  
Zambia Social Recovery Project  
Zambia Squatter Upgrading Project

**LIST OF  
BANK STAFF  
WHO PROVIDED  
INPUT**



# LIST OF BANK STAFF

The author would like to thank the following Bank staff who provided input during the preparation of this document or earlier drafts:

Helen Abadzi, SA1PH	Barbara Lausche, ENVDR
Myrna Alexander, LATSO	Alexandre Marc, EC4HR
Michael Bamberger, ESP	Kris Martin, EXTDR
Lynne Bennett, ASTHR	Elizabeth Miller, SA2DR
Nicholas Bennett, Accra, Ghana	Caroline Moser, TWURD
David Berk, AF3PH	Deepa Narayan, ENVSP
Bhuvan Bhatnagar, ENVSP	Andrew Norton, AFTHR
Mark Blackden, AFTHR	Maria Nowak, EC2AN
Marjory-Anne Bromhead, ECIAE	Barbara Parker, SASVP
Soniya Carvalho, ESP	William Partridge, LATEN
Catherine Cassagne, AF1AG	Robert Prouty, AF1PH
Arie Chupak, EA1AN	Jennifer Riethergen-McCracken, OPRPG
John Clark, OPRPG	Lawrence Salmen, ENVSP
Maria Donoso Clark, SA2PH	Stanley Scheyer, ASTHR
Nat Colletta, AF2PH	Mary Schmidt, Consultant
Cynthia Cook, AF1DR	TeresaSerra, LA3EV
Jean-Paul Dailly, AF1CO	Elizabeth Shields, EDIDM
Gloria Davis, ENVSP	Andrea Silverman, LA2NR
Jerri Dell, EDI	Jerry Silverman, AFTES
Hugo Diaz, SA3CI	Bachir Souhlal, MN2AG
Lea Donaldson, SA3EI	Susan Stout, EA3PH
Abdou Drabo, AFTHR	Roger Sullivan, AFTCB
Ann Duncan, SA3PH	JulieVan Domelen, LA1HR
Jim Edgerton, EDIDM	Peter Watson, AF5IN
Paul Francis, ASTHR	Leila Webster, PSD
Claudia Fumo, OPRPG	Aubrey Williams, OPRPG
Christopher Gibbs, OEDDI	Myla Williams, CTRVP
Michael Goldberg, ASTHR	Mark Woodward, AF1PH
Mary Lisbeth Gonzalez, LATEN	Willem Zijp, AGRTN
Gita Gopal, AF2PH	
Scott Guggenheim, Jakarta, Indonesia	
John Hall, AF5AG	
Phil Hazelton, LA3NR	
Barbara Herz, SA3PH	
Alf Jerve, ASTHR	
Charlotte Jones-Carroll, EAPCA	
Polly Jones, LA1MR	
Steen Jorgenson, AF6HR	
Elizabeth Katz, LA2NR	
Olav Kjørven, ENVLW	
Maritta Koch-Weser, ASTEN	



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