



Asian Development Bank

THE ASIAN DEVELOPMENT BANK'S COOPERATION WITH NGOs AND CIVIL SOCIETY

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¹ Although this paper draws directly from various Asian Development Bank (ADB) documents, the interpretations are those of the author and do not necessarily reflect the policies or views of ADB. Comments on this paper are welcomed, and can be sent to: ngocoordinator@adb.org

I. ADB AND NGO/CSO COOPERATION

The Asian Development Bank (ADB) has long recognized the contribution of nongovernment and other civil society organizations to the development process.² ADB considers NGOs/CSOs as significant actors in development at both the operational and advocacy levels. A recent report on ADB-NGO cooperation notes that “NGO activity now influences or will affect virtually every aspect of ADB’s operations, to an extent not experienced in the past and that will increase even more in the future.”³

ADB’s policy on NGO cooperation dates from 1987, and was substantially broadened in 1998.⁴ The policy mandates expanded ADB cooperation with NGOs and other civil society groups so as to strengthen the effectiveness, sustainability, and quality of the products and services ADB provides to its developing member countries (DMCs). As per the 1998 policy, the objective of ADB’s cooperation with NGOs/CSOs is, where appropriate, to integrate NGO/CSO experience, knowledge, and expertise into Asian Development Bank operations, such that ADB-supported development activities will more effectively address the issues, priorities, and needs of the people of Asia and the Pacific.

ADB recognizes that diversity is an important characteristic of the NGO/CSO sector. Given the wide range of NGOs/CSOs that exists and with which ADB works, there are many possible interactions. A single view of NGOs or of civil society is not realistic, and a single approach to NGO/CSO cooperation will not be successful. Measures for ADB’s cooperation with NGOs/CSOs therefore must be appropriate to the country, the type of organization, the set of circumstances that exist, specific development objectives, as well as other factors that may be relevant.

Engagement with and participation of civil society and civil society organizations such as NGOs is a significant element of ADB’s current and emerging development strategies and the supporting framework of policies and business practices. As the most visible and most active representatives of civil society, in both donor countries and DMCs, NGOs are considered an important external constituency and stakeholder group. In this context, there is a serious desire within ADB – with the full backing of ADB’s Board of Directors and Management – to develop new and effective modalities for engagement with and participation of NGOs, including strategies for improving communication with NGOs and establishing channels for effective two-way flow of information. ADB’s overarching goal of poverty reduction through the Asia and Pacific region also provides an important impetus for increased cooperation with NGOs and

² ADB is concerned primarily with developmental NGOs/CSOs. Under ADB’s NGO cooperation policy, “Developmental NGOs can be regarded as private organizations entirely or largely independent of government, not created for financial and material gain, and addressing concerns such as social and humanitarian issues of development, individual and community welfare and well-being, disadvantage, and poverty, as well as environmental and natural resources protection, management, and improvement. While ADB’s interest is directed primarily toward organizations that do not exist to serve their members’ self-interests, ADB still must be concerned with organizations such as self-help, and people’s and community-based organizations formed by or around disadvantaged persons, groups, and communities.” ADB’s definition of “nongovernment organization” includes the following groups: voluntary organization, private voluntary organization, or private voluntary development organization; people’s organization; community organization or community-based organization; community group or community association; grassroots organization; intermediary organization; and public interest group. ADB. 1999. *Cooperation Between Asian Development Bank and Nongovernment Organizations*. Manila. p. 3.

³ ADB. 2001. *Report of the Task Force on Institutional Arrangements for Cooperation with Nongovernment Organizations*. Manila. Paragraph 1. The Task Force was mandated “not to specify new strategies for ADB cooperation with NGOs but to determine the institutional structures that will enable the development and implementation of effective action plans to carry out ADB’s cooperation policy.”

⁴ ADB. 1999. *Cooperation Between Asian Development Bank and Nongovernment Organizations*. Manila.

other civil society groups. The operating principle of enhancing strategic alliances with other development partners in ADB's developing member countries – including NGOs, civil society, and the private sector – thus figures prominently in ADB's long term strategic framework for 2001-2015.⁵

ADB's cooperation with NGOs/CSOs generally is realized through two parallel streams: strategic or thematic institutional cooperation and operational cooperation.⁶

At a strategic or thematic level, ADB considers NGOs and other civil society bodies as important stakeholders and/or development partners. Because of their demonstrated experience and expertise, including local level knowledge, ADB policy emphasizes the importance of engaging civil society groups in consultation and dialogue with respect to ADB's overall policy and strategy at the regional and country levels. The objectives of such consultation are to share information, to discuss strategic/thematic issues of mutual concern, and to explore directions toward more effective and mutually beneficial engagement. Such consultation is focused on how ADB can best contribute to poverty reduction in the Asia and Pacific region with emphasis on ADB's three strategic "pillars": pro-poor, sustainable economic growth; social development; and good governance

At the operational level, ADB pursues cooperation with NGOs/CSOs in the design, implementation, and monitoring of ADB-supported project and technical assistance activities. In most countries, NGO/CSO consultation has become a regular part of ADB country strategy and program processes. Some Resident Missions and Representative Offices have established systematic interactions with NGOs at the country level. In loan and technical assistance processing, NGOs and community-based groups are engaged in several ways, from serving as advisors or sources of information with respect to project identification and project design, to roles as consultants, implementing agencies, monitoring agencies, and evaluators. Such NGO/CSO cooperation has expanded significantly over the past decade, although the depth of such interaction could be further enhanced.

ADB also recognizes the importance of capacity building and institutional development support to its DMCs as part of the overall effort to improve human and social capital required to support effective poverty reduction. ADB's NGO/CSO cooperation policy is specific in this regard, citing the policy objective of providing capacity building and institutional development support to governments as well as NGOs/CSOs so as to strengthen government-NGO/CSO cooperation, as well as to build productive trilateral development partnerships.

In terms of advocacy, civil society organizations are demanding greater voice and larger roles in decision-making as well as in governance processes in general. In many countries throughout Asia and the Pacific region, NGOs and other civil society groups have been given increased legitimacy as representatives of wider society, and particularly of marginalized or otherwise disadvantaged groups. Given such recognition, ADB and other multilateral development banks must embrace expanded interaction with NGOs/CSOs in relation to their overall policy frameworks as well as their operational activities. This is particularly true of the growing number of "technical" NGOs—NGOs that specialize in sophisticated analysis and information dissemination on a range of development, environmental, and sector-specific issues.

⁵ ADB. 2000. *The Long-Term Strategic Framework of the Asian Development Bank (2001-2015)*. Manila.

⁶ By way of comparison, the World Bank states that its interaction with civil society similarly falls into two broad categories: policy dialogue and operational collaboration. World Bank. 2000. *Working Together: The World Bank's Partnership with Civil Society*. Washington, D.C.

By way of comparison, the United Nations similarly looks to civil society organizations to enhance the scope and effectiveness of UN projects and programs. Box 1, below, summarizes how NGOs/CSOs contribute to the work of the UN.

Box 1: MODES OF CIVIL SOCIETY ORGANIZATION INFLUENCE IN THE UNITED NATIONS AND GLOBAL GOVERNANCE

- **Operational engagement and partnership** – drawing on the operational and grassroots experience of NGOs and other CSOs to enhance the scope and effectiveness of UN projects and programs, including:
 - Participation in **NGO consortiums** involved in the operational delivery of humanitarian and relief operations
 - Involvement with **multi-stakeholder operational partnerships**
 - Direct involvement with **project execution** at the regional or country level
 - **Co-funding** UN programs and funds

- **Influencing policies and policy-dialogue** – engaging in the deliberative process relating to UN policies and major programs, by
 - Placing or elevating issues on the global political agenda through **advocacy** in UN forums, in areas such as human rights, gender, racism, social justice, and the environment
 - **Mobilization of world opinion** and political pressure through campaigns and protests
 - **Dialogue and consultation** on a regular basis with the UN and other multilateral bodies
 - Participation at **World Conferences** and involvement with the negotiation process leading to the setting of new international norms and standards
 - Dialogue and influence in **governmental policy-making** at national and regional levels
 - Raising of **new issues and concerns**, innovation and experimentation, provision of fresh knowledge and information

- **Influencing processes of governance in international institutions**
 - **Engaging in the debate** about the “new global architecture”
 - **Proposing reforms** in how the UN works and makes decisions
 - Being a party in the **governance of UN activities**

SOURCE: United Nations, UN Website Section of the Department of Public Information. “Modes of CSO Influence in the UN and Global Governance”, Background Papers and Documents, Report of the Secretary-General’s Panel of Eminent Persons on Civil Society and UN Relationships. 2003. <http://www.un.org/reform/panel>

II. ADB'S INSTITUTIONAL ARRANGEMENTS FOR NGO/CSO COOPERATION

In May 2000, ADB's President established a High Level Committee to undertake a comprehensive review of ADB's institutional arrangements for cooperation with NGOs, and to consider whether such arrangements were adequate. The Committee directed a smaller Task Force charged with examining ADB's institutional arrangements for NGO/CSO cooperation and then developing specific proposals for improvement.

The Task Force's findings, based on a series of earlier reports and studies as well as extensive in-house discussions, resulted in the *Report of the Task Force on Institutional Arrangements for Cooperation with Nongovernment Organizations*.⁷ This report determined that ADB's cooperation with NGOs/CSOs could be made more effective and also indicated that the scope of operation and level of resource allocation for effective ADB-NGO/CSO cooperation was inadequate. Other findings from the *Report of the Task Force* are provided in Box 2, below.

Box 2: ADB's Institutional Cooperation with NGOs

- Institutional Openness to NGOs: ADB should become more open to NGOs in its operations and take specific measures toward establishing sustainable relationships
- Institutional Action Plan: ADB should adopt an overall, positive, and proactive institutional action plan for NGO cooperation, guided by its existing policy on cooperation
- Institutional Arrangements for NGO Cooperation: ADB should strengthen its institutional arrangements and organizational capacity for NGO cooperation
- Internal Capacity: ADB should strengthen its internal capacity for NGO cooperation, especially the strengthening of staff skills.
- NGO Consultation and Dialogue: ADB should adopt a mechanism for sustained consultation and dialogue with NGOs
- Capacity Building: As specified under ADB's existing policy, ADB should provide capacity building and institutional development support for NGOs, and for governments to strengthen their relationships with NGOs

SOURCE: ADB. 2001. *Report of the Task Force on Institutional Arrangements for Cooperation with Nongovernment Organizations*.

A key recommendation of the *Report of the Task Force* was the establishment of an "NGO Center" that would "be recognized both internally and externally as the authoritative focal point for institutional ADB interaction and communication with NGOs" and other civil society organizations. In addition to having "first-hand NGO knowledge and experience", the NGO Center must have "the capacity to manage a continuing strategic/thematic institutional discourse with NGOs, and the ability to transform ADB's interactions from reactive to proactive by initiating strategic alliances with key NGOs."⁸

ADB's NGO Center was established in early 2001. As determined by the Task Force, all institution-level responses to and initiatives within the NGO/CSO community of a

⁷ ADB. 2001. *Report of the Task Force on Institutional Arrangements for Cooperation with Nongovernment Organizations*. Manila. The draft report was posted on ADB's website for external comment prior to its finalization and formal endorsement by ADB's President in September 2001.

⁸ ADB. 2001. *Report of the Task Force on Institutional Arrangements for Cooperation with Nongovernment Organizations*. Manila. Paragraph 34.

strategic/thematic nature are managed by the NGO Center, which since early 2002 has been a stand-alone unit within ADB's Regional and Sustainable Development Department (RSDD) with 3 professional and 1 national officer staff. The NGO Center's key responsibilities are outlined in Box 3, below.

Box 3: **ADB NGO Center Responsibilities**

- Prepare a comprehensive and budgeted medium-to-long term action plan for ADB-wide cooperation with NGOs/CSOs, across a full range of activities from policy development to project implementation (including studying possible NGO/CSO funding modalities and NGO/CSO capacity building activities), incorporating inputs from within ADB as well as inputs from NGOs/CSOs and DMC governments; and closely monitor implementation of that action plan;
- Identify and develop strategic alliances with key NGOs, international and regional, with whom cooperation will have long-term relevance to ADB;
- Anticipate and study the next generation of global and regional issues and keep ADB Management and staff informed of these on a timely basis so that ADB can be a step ahead;
- Regularly inform NGOs with a known stake or interest in ADB policies, on new ADB policy and thematic initiatives, explaining ADB papers in NGO/CSO-meaningful language as necessary;
- Receive and consider external inquiries, public complaints, or protests by NGOs/CSOs addressed at ADB as a whole, and prepare all formal ADB responses, including media-based responses and statements by Management;
- Plan and organize overall NGO participation at ADB Annual Meetings (in close collaboration with and in support of the Secretary's Office), including accreditation of NGOs and management and facilitation of meetings with NGOs;
- Organize and facilitate external feedback mechanisms such as annual consultation forums at Headquarters with key NGOs (apart from forums at the Annual Meeting) both to listen to the invited NGOs acting as an informal advisory panel to ADB, and to promote an active exchange of ideas;
- Represent ADB proactively in external NGO/CSO-related networking among international financial institutions, initiating such external networking where absent, to share best practices;
- Develop and implement the required training programs as well as good practice based training materials for line staff, whenever possible through the expertise of experienced NGOs;
- Develop and maintain a central internet-based data bank on international and regional NGOs, their agenda, and ADB's experience and relationship with them (the databank should include links to existing NGO information bases or websites);
- Outreach to media, international as well as local, for constructive coverage of ADB/NGO cooperation;
- Review non-operational (back-end) business processes in ADB with a view to making them more "NGO/CSO friendly" while maintaining competition criteria (e.g. the consultant selection process as applied to NGOs/CSOs); and
- Prepare an annual report to Management and the Board on ADB's NGO/CSO-related activities.

SOURCE: ADB. 2001. *Report of the Task Force on Institutional Arrangements for Cooperation with Nongovernment Organizations*. Manila. Paragraph 40.

Subsequent to the establishment of the NGO Center, as well as in connection with ADB's organizational restructuring in January 2002, an NGO Cooperation Network was established consisting of designated focal points in each of ADB's five regional departments plus its Private Sector Operations Department, as well as civil society focal points in most ADB resident missions. The terms of reference for the NGO Cooperation Network include: (i) continuous monitoring of NGO-related needs in the operational departments; (ii) providing the main inputs for developing the annual workplan of the NGO Center and prioritizing its support work; (iii) ensuring consistency and synergy in NGO cooperation initiatives across ADB; and (iv) enabling active exchange on good practice within the Network and throughout ADB.

It is to be noted, however, that with the exception of two Civil Society/External Relations national officer staff in ADB's Indonesia and Nepal Resident Missions, designated NGO focal points in regional departments and resident missions all have other full-time responsibilities. In addition, only limited ADB resources currently are committed for NGO/CSO collaboration activities.

III. ADB-GOVERNMENT-NGO COOPERATION: A FRAMEWORK FOR ACTION

In addition to the establishment of the NGO Center, another key recommendation of the *Report of the Task Force* was the preparation of a medium-term action plan for enhanced ADB-NGO/CSO cooperation. Towards this end, in 2002 the NGO Center initiated a regional technical assistance (RETA) project as a platform for broad-based stakeholder dialogue on ADB's cooperation with NGOs/CSOs. The RETA, with co-funding from the Governments of Australia and the United Kingdom, started with the dissemination of an "Issues Note" that addressed key elements of the relationship between ADB, NGOs/CSOs, and ADB's member governments and that provided opportunity for feedback. Between June and October 2002 one-day national-level workshops were held in 10 countries (Bangladesh, Cambodia, India, Indonesia, Kazakhstan, Mongolia, Nepal, Pakistan, the Philippines, and Thailand). Stakeholders were identified in two tiers: a broad, more exhaustive list of government, NGO, civil society, and private sector representatives who were invited to provide written comments on the "Issues Note", and a sub-set of stakeholder representatives who were invited to attend the national workshops. A workshop also was held for a cross-section of ADB staff.

Each national-level workshop devoted considerable time to small group discussions, with participants actively working together to develop pragmatic suggestions and to propose activities for enhanced tripartite cooperation. Group members then presented and discussed their ideas in full plenary sessions. Based on their experience with ADB and other donor-supported development activities, workshop participants also were asked to identify the success factors critical for effective cooperation, as well as to develop goal statements pertaining to the desired future for ADB-Government-NGO/CSO cooperation.

In addition to the national workshops, sub-regional workshops were organized for Australia and the Pacific, East and Central Asia, the Mekong, and South Asia. These consultations brought together selected individuals who had participated in earlier national workshops, and engaged new participants from DMCs where a national workshop had not been held. This gave participants an opportunity to elaborate on national workshop recommendations. Since the sub-regional workshops were held over two days, participants had more time to reach consensus on goals for tripartite cooperation. Selected participants from each of the sub-regional workshops were then invited to a regional workshop in Manila.

The proceedings of each workshop were produced and posted on ADB's "NGO Cooperation" website, together with an updated synthesis of issues and trends. Drawing upon this synthesis, as well as other background material, NGOC staff prepared a preliminary or "zero draft"

document that included a compilation of recommendations received during all of the national and sub-regional workshops.

In mid-November 2002 ADB hosted a regional “writeshop” with selected government, NGO/CSO, and private sector representatives and ADB staff who had taken part in the earlier national and sub-regional workshops. The “writeshop” group broadly represented all key stakeholders, including nine NGO representatives, four government representatives, two from the private sector, as well as eight ADB staff. Using the “zero draft” as a starting point, “writeshop” participants worked collectively to revise or supplement sections of a “Framework for Cooperation” (*Framework*). The resulting document was again circulated for comment within ADB and to participants of the country and sub-regional workshops. The document also was reviewed against written comments received on the “Issues Note” so as to ensure that such comments were broadly reflected in the *Framework* document. As part of this exercise, each workshop participant, as well as those who responded to the “Issues Note”, was sent a letter indicating how their comments or ideas were incorporated in the draft *Framework*.⁹

Altogether, 520 external stakeholders contributed to the elaboration of the *Framework*, with 439 attending at least one of the workshops and a further 89 providing comment on either the “Issues Note” or the draft *Framework*. Overall, 76% of the participants represented NGOs/CSOs, 17% government agencies, 4% private sector, and 3% other agencies. The resulting document, *ADB-Government-NGO Cooperation: A Framework for Action, 2003-2005*, was formally approved by ADB’s President in May 2003. Copies of the printed document have been widely distributed to stakeholder groups; copies also were provided to all ADB staff. The *Framework* is posted on ADB’s “NGO Cooperation” website, including several local language versions (Bangla, Mandarin, Khmer, Lao, Mongolian, Nepali, and Russian).¹⁰

The *Framework* seeks to give full effect to relevant ADB policies, in particular, the 1998 policy on ADB’s Cooperation with Nongovernment Organizations. The *Framework* puts in an operational context the directives contained in ADB’s Long-Term Strategic Framework and Medium-Term Strategy, especially in terms of promoting “improved conditions for wider and more effective participation in decision making, including decision making by civil society.”¹¹ As noted earlier, the *Framework* also fulfills a major recommendation of the 2001 *Report of the Task Force on Institutional Arrangements for Cooperation with Nongovernment Organizations*: to prepare an “action plan” that will make ADB-NGO cooperation a Bank-wide concern.

The *Framework* articulates a long-term vision of ADB-Government-NGO cooperation that takes into account the diversity of views, experiences, and conditions across the Asia and Pacific region. This vision corresponds to the common poverty reduction objectives of the three stakeholder groups:

Improved cooperation among the Asian Development Bank, NGOs, and governments to reduce poverty in the Asia and Pacific region through collaborative efforts to promote pro-poor sustainable growth, social development, and good governance

⁹ The process used to develop the Framework was fully documented by the NGO Center, including sample invitation letters, indicative workshop budgets, contract templates for workshop facilitators, etc. A video outlining the various steps in the process also was prepared. These materials were included in a CD-ROM distributed to all ADB staff as a “toolkit” guide for planning and implementing a participatory planning process. Copies of the CD-ROM can be obtained from ADB’s NGO Center: ngocoordinator@adb.org

¹⁰ http://www.adb.org/NGOs/Framework/framework_asian_languages.asp

¹¹ ADB. 2000. *The Long-Term Strategic Framework of the Asian Development Bank (2001-2015)*, Appendix 2, p.1. Manila.

While cognizant of the breadth of ADB's operations and the variable conditions and attitudes that prevail across the region concerning NGOs' role in development and decision making, the *Framework* sets out five key challenges to achieve this vision, including the need to:

- Strengthen stakeholder participation in ADB-supported activities
- Enhance transparency and interaction through access to information
- Develop ADB's capacity for NGO/CSO cooperation
- Build NGO/CSO capacity and provide institutional support
- Strengthen government-NGO/CSO cooperation and collaboration

Against these challenges, the *Framework's* implementation matrix details a series of 24 recommended actions towards enhanced ADB-Government-NGO/CSO collaboration, many of which will be implemented selectively in different countries throughout the Asia and Pacific region to serve as demonstration or good practice examples. The implementation matrix outlines organizational roles and implementing responsibilities, planned activity timeframe, main outputs, as well as performance indicators. Figure 1, below, indicates the envisaged role for each stakeholder group.

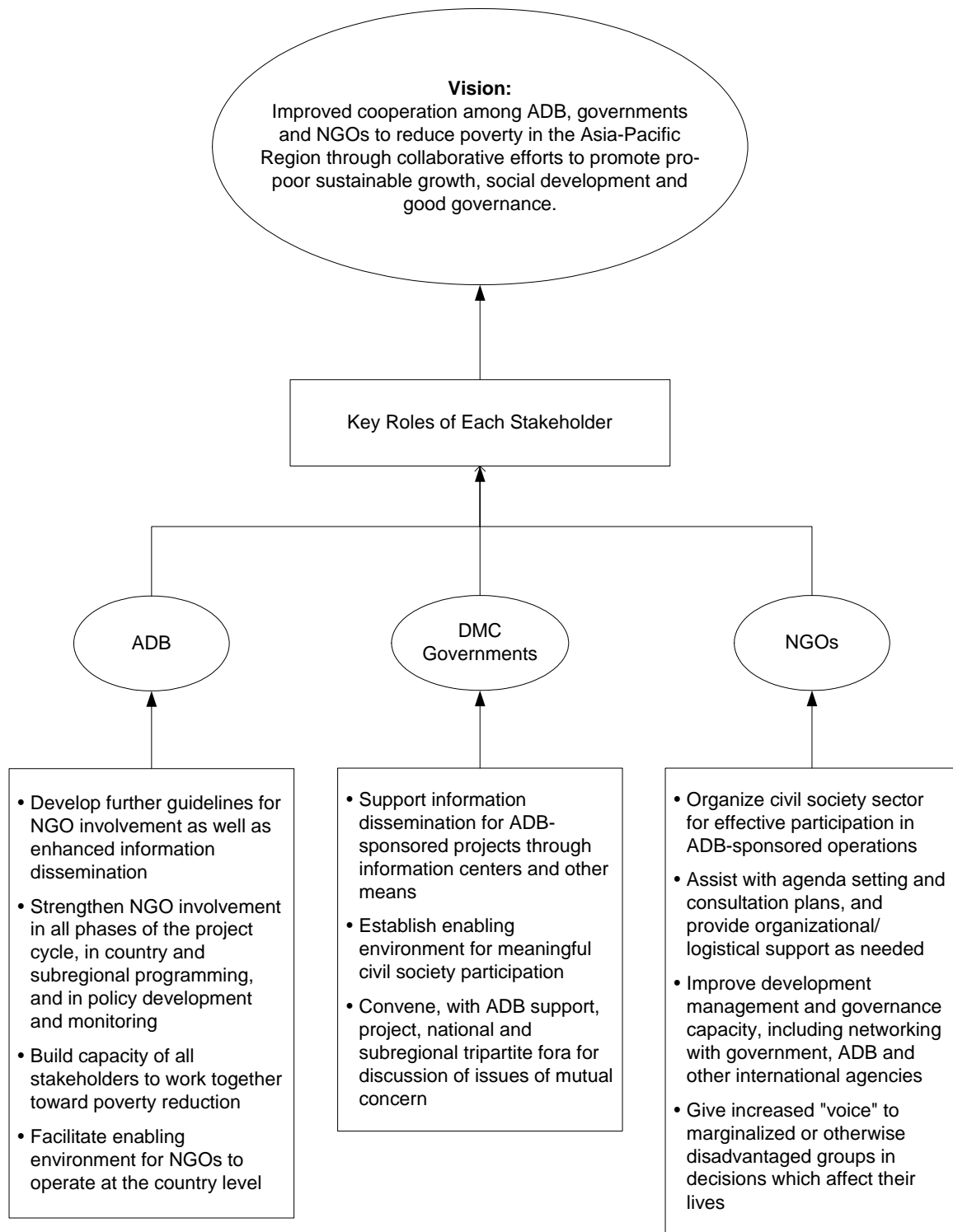
Since the adoption of the *Framework*, efforts have been made to develop detailed country-based ADB-Government-NGO cooperation plans in selected countries. The NGO Center also has funded or supported other country-level activities that promote trilateral development cooperation.

In recent months the NGO Center has undertaken an internal assessment of the first year of the implementation of the *Framework*, including focus group discussions as well as the NGO Center's "report card" score for each of the *Framework's* 24 recommended actions. The "report card" shows that most of the actions planned for the first year of *Framework* implementation were undertaken, although more work is required at the country level, particularly with respect to NGO/CSO and government action.

Somewhat disappointingly, the focus group discussions with ADB staff revealed that few staff were fully familiar with the *Framework*; many staff did not recall they have received a printed version of the document in July 2003. The assessment also found that few operational staff had used the *Framework* in their daily work. In addition to pointing out the need for the NGO Center and ADB's NGO and Civil Society Thematic Committee to more proactively reach out to regional management teams and operational staff, further effort is required to "make NGO/CSO cooperation an ADB-wide concern."

Staff involved in the assessment exercise also noted that although the *Framework* was approved by ADB's President, it does not have the more commonly understood status of either a policy or a strategy. This points to the need for continuing strong ADB Management endorsement of the *Framework* and its recommended actions, as well as the establishment of improved benchmarks for the implementation of both the *Task Force* and *Framework* recommendations. The internal assessment also confirmed the need for staff guidelines and "sourcebook" materials to help implement the *Framework's* recommendations with respect to NGO/CSO involvement in country strategy and program (CSP) and project design processes. More work also is required to strengthen DMC government understanding of the benefits of enhanced cooperation with nongovernment and civil society bodies, and to provide capacity development assistance to both DMCs (developing member countries) and NGOs/CSOs (both actions are underway).

Figure 1: ADB-Government-NGO Cooperation: A Framework for Action, 2003-2005
Primary Roles of Each Stakeholder Group



IV. CONSTRAINTS TO ENHANCED COOPERATION WITH NGOS/CSOS

As outlined above, further embedding cooperation with NGOs/CSOs into ADB-supported activities represents a major institutional challenge. In addition, there are a number of other difficulties with respect to ADB's interaction with civil society organizations, some internal to ADB, others relating to ADB's overall relationship with its donor and developing member countries and with NGOs and civil society groups

1. ADB's Primary Relationship with Governments

The most fundamental constraint to greater ADB cooperation with NGOs/CSOs relates to the primary relationship between ADB and its member governments. ADB is a multilateral development finance institution owned by its 63 member countries. Each member country nominates a Governor and an Alternate Governor to vote on its behalf. The Board of Governors (most commonly Ministers of Finance) elects ADB's 12 resident Directors (each with an alternate) – eight representing countries within the Asia-Pacific region and four representing countries outside the region. The Board of Governors also elects the President for a term of five years, with the possibility of re-election. The President chairs the Board of Directors and follows its directions in conducting the business of ADB. ADB thus is directly accountable to its member governments, and only indirectly to wider civil society.

A related constraint is how governments perceive and interact with civil society bodies. Some of ADB's member countries perceive nongovernment organizations to be, by definition, "against" the government. Others tightly control the "space" given to civil society voices. Whereas some DMC governments consult widely on national development priorities, including national poverty reduction strategies and programs, others remain less open to civil society interaction. In addition, in many countries the capacity of local NGOs and other civil society groups to engage with governments as well as donor institutions is still somewhat limited.

ADB's 1999 *Special Evaluation Study of the Role of Nongovernment Organizations and Community-Based Organizations in Asian Development Bank Projects* found that a key success factor is to foster a conducive environment for NGOs/CSOs as legitimate and valued partners by putting in place effective legislative and regulatory frameworks.¹² The *Special Evaluation Study* also found that in several countries in the Asia and Pacific region, the capacity to implement legislation and regulation is a constraint, along with the unwillingness of executing agency managers to embrace NGOs/CSOs. The *Study* recommended that ADB should promote and facilitate activities to improve the enabling environment, providing selective capacity building assistance where appropriate (or, more to the point, when requested by DMC governments).

The International Monetary Fund's October 2003 *Guide for Staff Relations with Civil Society Organizations* states that: "The IMF is accountable to its member governments. Dialogue with and transparency toward citizens are important contributions to this accountability". The document also notes, however, that the IMF should "keep the initiative with the government, whose responsibility it is to engage with CSOs. IMF contacts with CSOs supplement, and do not substitute for, government dialogue with citizen groups".¹³ Other international financial institutions, including ADB, generally subscribe to this principle, and encourage enhanced Government-NGO/CSO engagement, including by providing technical assistance for the

¹² ADB. 1999. *Special Evaluation Study of the Role of Nongovernment Organizations and Community-Based Organizations in Asian Development Bank Projects*. Manila.

¹³ International Monetary Fund, "Guide for Staff Relations with Civil Society Organizations," 10 October 2003, p. 3.

establishment of legal frameworks or other relationships that promote dialogue between civil society groups and governments.

2. NGO/CSO Cooperation as a Cross-Cutting Issue

ADB policy acknowledges that the engagement of civil society groups in policy dialogue and project-level activity contributes to development effectiveness, as well as to wider ownership of the development process. Such engagement, however, is but one of several cross-cutting issues that “good development” dictates should be reflected in sound project design and effective implementation (e.g., gender, environment, governance, indigenous peoples, social safeguards/resettlement, etc.). While ADB’s policy on NGO cooperation aims to make such cooperation “an ADB-wide concern”, ADB’s operational staff often face time and resource constraints with respect to NGO/civil society engagement, particularly in circumstances where NGO/CSO capacity is weak, or where governments are not fully supportive of such engagement.

The 1999 *Special Evaluation Study* found that the most successful ADB projects with NGO/CSO involvement are more a consequence of the individual interest, knowledge, and experience of ADB project officers than any systematic mainstreaming of NGO/CSO considerations within ADB project preparation procedures. This again points to the need to further enhance the capability of ADB staff to assess and to plan for NGO/CSO involvement in ADB-supported activities, including through targeted training as well as through the preparation of good practice guidelines or other “sourcebook” materials. ADB’s NGO Center has given high priority to both these tasks as key elements of *Framework* implementation.

3. Selection of NGO/CSO Partners and NGO/CSO Legitimacy

A key problem for ADB and other international institutions in effecting enhanced civil society engagement is the question “with whom should we work?” Across Asia and the Pacific there are thousands, or perhaps even hundreds of thousands of developmental nongovernment and civil society organizations, and with huge diversity in terms of organizational capacity, experience, and scope. How best should an institution like ADB engage with such a huge number of organizations and groups? What criteria should it use in selecting its NGO/CSO development partners? How can it ensure that such groups are truly representative of particular interest groups, much less “civil society” as a whole?

As noted by the Chairman of the Secretary-General’s Panel of Eminent Persons on Civil Society and United Nations Relationships:

In a complex world, the answer to the question ‘who speaks for whom’ calls for new perspectives. The legitimacy of civil society organizations derives from what they do and not from whom they represent or from any kind of external mandate. In the final analysis, they are what they do. The power of civil society is a soft one. It is their capacity to argue, to propose, to experiment, to denounce, to be exemplary. It is not the power to decide. Such legitimacy is, by definition, a work in progress. It is never attained once and for all. It is gained in the arena of public debate and must be continually renewed and revitalized.¹⁴

¹⁴ Fernando Henrique Cardoso, “Civil Society and Global Governance – Contextual Paper”, Chairman, Secretary-General’s Panel of Eminent Persons on Civil Society and UN Relationships. See: <http://www.un.org/reform/pdfs/cadosopaper13june.htm>

Identifying or selecting NGOs and CSOs for purposes of policy dialogue, as well as for active involvement in ADB-supported activities represents an ongoing problem, and one that is unlikely to be addressed by internal databases, or lists of registered NGOs. To the greatest extent possible, ADB strives for maximum “representativeness” in its engagement with NGOs and other civil society groups. In many cases, ADB depends on NGO umbrella groups to help identify NGOs/CSOs that can broadly represent different stakeholder groups. Given the wide range of civil society voices and interests, civil society groups must organize themselves to serve as effective dialogue partners, and also must be able to demonstrate that they represent particular stakeholder groups.

4. Measuring the Level of NGO/CSO Involvement in ADB Activities

A key and ongoing institutional problem is identifying the level of NGO/CSO involvement in ADB-supported activities. The 1999 *Special Evaluation Study* noted: “Since 1990, 150 projects (25% of all ADB projects) have had some form of NGO/CBO involvement. In 1998, 28 projects worth more than \$2 billion (49% of all approved projects) incorporated NGO/CBO activities.¹⁵ A similar review of loan projects approved by ADB in 2003 indicated that 47 out of 72 projects, or 65%, contained elements of NGO cooperation, up from 55% in 2002. NGO/CSO involvement – as determined by specific mention of NGOs or CSOs in project documentation – included one or more of the following modes of cooperation: general consultation, information provider, policy and advocacy work, co-financier, beneficiary, implementing agency, monitoring and evaluation, and/or expert/consultant/trainer.

However, the *Special Evaluation Study* found a shortfall between intended and actual NGO/CSO involvement in ADB-supported activities. One shortfall related to a difference between anticipated or planned NGO/CSO involvement as outlined in project documentation and what subsequently was recorded in project implementation reports. The *Special Evaluation Study* found that in roughly one quarter of the case study projects, the summary Report and Recommendation of the President (RRP) provided an unreliable indication of even the intended NGO/CSO involvement. The *Study* found that this shortfall frequently was very apparent in early project performance reports (PPRs) that made little reference to NGO/CSO participation, concluding “in practice, actual NGO/CSO involvement falls short of reported intentions.”¹⁶

The *Special Evaluation Study* also determined that that ADB’s project reporting does not record measures of ownership, beneficiary consultation, confidence, capacity building, or sustainability, and noted “these are areas where NGO/CSO involvement could produce long-term project benefits”.¹⁷ The *Special Evaluation Study* also found that “ADB’s capacity to manage and exchange information on the progress of NGO/CBO involvement and lessons learned from previous projects remains underdeveloped”.¹⁸ The *Special Evaluation Study* suggested “It should be mandatory to include an agreed upon and verifiable monitoring system for NGO/CSO involvement in a project or program before it is approved. Project designs [also] should include funds for NGO/CSO monitoring and beneficiary consultation”.¹⁹ The *Study* further recommended “the existing NGO database needs to be expanded to incorporate information on NGO/CBO achievements and involvement rather than only the intentions stated in the Report and Recommendation to the President (RRP).”²⁰

¹⁵ ADB. 1999. *Special Evaluation Study of the Role of Nongovernment Organizations and Community-Based Organizations in Asian Development Bank Projects*. Manila, p. 5.

¹⁶ ADB. *Special Evaluation Study*, p. 38.

¹⁷ ADB. *Special Evaluation Study*, p. 6.

¹⁸ ADB. *Special Evaluation Study*, p.6.

¹⁹ ADB. *Special Evaluation Study*, p. 8.

²⁰ ADB. *Special Evaluation Study*, p.44.

Three years after the *Special Study*, ADB continues to have difficulty in accurately measuring NGO/CSO “involvement” in its activities, with few ADB projects specifically including significant funding for NGO/CSO engagement.²¹ Nor has ADB made much progress in gauging how, or to what extent NGO/CSO involvement has contributed to improved effectiveness, sustainability, or overall quality of ADB products and services.

Efforts to improve such tracking are complicated by the sheer number of ongoing ADB loans and technical assistance projects across the region. In addition, it often is very difficult to determine the extent to which NGOs contribute to project effectiveness. It is to be noted that the World Bank similarly suffers a lack of reliable and/or easily accessible data to monitor its engagement with CSOs, including the amount of funds channeled through or earmarked for NGOs/CSOs. In addition, “high demands on World Bank staff, and disincentives such as ambiguous guidance and poor systems for monitoring and evaluating participation, fuel the tendency among task managers to ‘tick the box’ that they have involved CSOs rather than take proactive steps to ensure that engagement that is viewed as satisfactory by all stakeholders”.²²

5. ADB and Advocacy NGOs

Although ADB strives for effective development partnerships with NGOs/CSOs, the relationship is not always easy or harmonious. The fact that ADB as an institution is accountable first to its member governments, and only secondarily to other stakeholder groups, already has been mentioned. Equally, difficulties in the relationship between ADB and NGOs/CSOs can be attributed to differences in size, resources, and orientation or focus. In particular, the relationship between ADB and advocacy-based NGOs/CSOs can be problematic, in that their approaches to developmental issues can differ, or even be diametrically opposed. The very contentious issue of multilateral development bank (MDB) financing of hydropower projects is a case in point. Given problems with such projects in many parts of the world, some advocacy NGOs are opposed to any and all hydropower schemes. Because of such opposition, and particularly in the context of the findings of the World Commission on Dams, ADB and other multilateral development banks take a very cautious approach to hydropower projects. But what if ADB, at the request of one of its developing member countries, and as a result of detailed economic and financial analysis, environmental impact assessment, and the development of resettlement or indigenous peoples plans, determines that the development benefits of a hydropower project exceed the environmental or other costs? Equally, which is preferable: MDB financial involvement in a hydropower project governed by MDB environmental and other safeguard measures, or a developing country independently undertaking the same project with no guarantee of standards and no provision for the mitigation of adverse impacts?

Advocacy groups such as the Washington-based Bank Information Center (BIC) or the Manila-based NGO Forum on ADB attempt “to empower citizens in developing countries to influence Multilateral Development Bank financed operations and policies in a manner that fosters social justice and ecological sustainability”.²³ The Bank Information Center aims to “democratize the International Financial Institutions to ensure citizen participation, information disclosure, full

²¹ The NGO Center recently supported a pre-project assessment of local NGO capacity in Punjab, Pakistan, in connection with a proposed sustainable livelihoods project in *barani* (rain-fed) districts. The assessment is expected to facilitate the involvement of capable NGOs into project-related activities by providing a better understanding of the nature and capacities of NGOs in the target districts. In addition to contributing to the design and ultimate implementation of the project, the assessment exercise—costing only \$30,000—is expected to provide a good practice example of how NGO/CSO involvement in project operations can be upstreamed.

²² The World Bank. 2003. *Issues and Options for Improving Engagement Between the World Bank and Civil Society Organizations A Discussion Paper*. Washington, D.C.

²³ http://www.bicusa.org/bicusa/issues/about_the_bank_information_center/index.php

adherence to environmental and social policies, and public accountability,”²⁴ whereas the NGO Forum on ADB aims “to stimulate public awareness and action and consequently develop closer working ties with other Asia-Pacific people's organizations, nongovernment organizations and other public interest groups on issues related to the Asian Development Bank so as to sharpen public debate and understanding of ADB's program and project activities in the Asia and Pacific region.”²⁵

ADB's relationship with these two “watch dog” groups is generally good, and BIC and the NGO Forum on ADB comment on draft ADB policies and strategies, or feedback with respect to specific projects is taken very seriously by ADB management and staff. ADB's NGO Center also has made a particular effort to work with the NGO Forum on ADB, including through an annual “Lobby Day” (timed in conjunction with the Forum's Annual Meeting) when representatives of the Forum's member agencies are able to meet with ADB operational staff to discuss issues and projects of particular concern to NGOs and stakeholder groups. The “Lobby Day” was further institutionalized in March 2004 with a full day of project and policy-related meetings coordinated by the NGO Center, including efforts to jointly document each meeting as a basis for ongoing dialogue between ADB staff and representatives from the NGO Forum on ADB's member agencies.

Given such generally good working relationships, it was somewhat disappointing that the members of the NGO Forum on ADB subsequently decided to boycott ADB's 13 May 2004 Annual Meeting due to “frustrations with the way consultations are being carried out at ADB, which in our opinion often serve to validate rather than challenge the status quo and in any case serve to reinforce the power of the Asian Development Bank and governments over local communities.”²⁶

6. Public Communications, Disclosure, and Transparency

In recent years issues of communications, transparency, and accountability have assumed increased importance. The global movement toward greater transparency carries with it important implications for international financial institutions, nearly all of which have responded by reviewing and updating their information and disclosure policies.

The need for effective communications between ADB, the governments of its developing member countries, and persons affected by ADB-finance projects and programs is clearly spelled out in ADB's *Long-Term Strategic Framework*: “Strengthening the participation of stakeholders in the development process will improve efficiency in the implementation of ADB interventions.”²⁷ To ensure development effectiveness impact, ADB also must create opportunities for persons affected by ADB-assisted operations to be informed about, and influence, the decisions that affect their lives. To facilitate greater community-level participation in decision-making, ADB and governments need to further develop a communication process that informs stakeholders and offers structures for them to give feedback and other inputs. Development of activity-specific communication plans strengthens this process. Furthermore, the success of ADB-financed projects often depends upon building trust with diverse peoples, communities and organizations; explaining project aims; receiving local inputs; and securing commitment of those residing in the project areas. Strengthening ADB's connection with project beneficiaries to improve project quality and sustainability requires that ADB upgrade its communications policies, practices, and capacities.

²⁴ http://www.bicusa.org/bicusa/issues/about_the_bank_information_center/index.php

²⁵ http://www.forum-adb.org/about_us.html

²⁶ A Betrayal of Asia and the Pacific – Boycott of the 37th Annual Meeting of the Asian Development Bank,” NGO Forum on ADB Press Release, 13 May 2004.

²⁷ ADB. 2000. *The Long-Term Strategic Framework of the Asian Development Bank (2001-2015)*. Manila.

ADB's *Disclosure Policy*, considered progressive a decade ago, today provides inadequate support to the goals of enhancing participation, nurturing local ownership of projects, and making ADB a leading provider of knowledge for development in Asia and the Pacific. ADB similarly faces immediate and pressing challenges in the areas of outreach, visibility, and institutional profile. Meeting these challenges will require an updated *Information Policy* that features proactive dissemination of information about ADB's operations to ensure growing public understanding and support for ADB's role, objectives and operations.

A review of ADB's 1994 *Policy on Confidentiality and Disclosure of Information (Disclosure Policy)* and its 1994 *Information Policy and Strategy of ADB (Information Policy)* currently is underway, and is expected to result in the adoption of a new, unified *Public Communications Policy*. A draft policy has been posted on ADB's website for comment, and a series of public consultations in ADB's developing and donor member countries currently is underway. A new policy – which surely will maintain “a presumption in favor of disclosure of information” – is expected to be adopted by early 2005. In addition, the new *Public Communications Policy* is expected to include a new strategy or mechanisms to proactively disseminate information about ADB and its activities and to better seek the views of stakeholders.²⁸

It is unlikely that the new, unified policy will fully satisfy NGOs and other groups advocating for complete transparency through public access to all ADB correspondence and project documentation as well as transcripts of Management and Board discussions. A May 2004 “collective statement” of the NGO Forum on ADB stated that

Despite ADB's lip service to the benefits of transparency, stakeholders are often denied access to information while ADB projects impact their lives and livelihoods with impunity. We demand that all stakeholders have access to project-related documents in local languages. We further demand that all documents submitted to the Board of the ADB be in the public domain, and that Board meetings and transcripts be open to the public.²⁹

ADB's counter-argument is that there must be balance between transparency and certain legal and practical constraints, as well as the legitimate interests of other parties with whom ADB interacts. In order to avoid injuring such interests, ADB maintains that certain types of information cannot be made publicly available, including information that is in ADB's possession but which legally belongs to someone else, such as business proprietary information. ADB also takes the position that just as internal information must flow on a free and confidential basis to ensure frank and candid discussions, so borrowing members and ADB must be able to undertake free and candid discussions on the basis of reciprocal respect for the confidential character of information. ADB also believes it has a general obligation to safeguard the personal privacy of its staff, and to protect the confidentiality of personal information.

What is agreed, is that more effort is required to involve stakeholders – including NGOs/CSOs and project-affected groups – in the design, implementation, and monitoring of project activities, as well as to make key project information more readily available.

²⁸ <http://www.adb.org/Disclosure/default.asp>

²⁹ “A Betrayal of Asia and the Pacific – Boycott of the 37th Annual Meeting of the Asian Development Bank,” NGO Forum on ADB Press Release, 13 May 2004.

7. ADB Accountability

Closely related to the issue of transparency is the matter of accountability. As an international financial institution, ADB is accountable to its member countries. But it also is accountable to a wider public constituency – the peoples of Asia and the Pacific region that it serves (and who ultimately must repay loans provided by ADB) as well as taxpayers in ADB's donor member countries. Increased focus on development effectiveness, including through the new “reform agenda” recently launched by ADB's Management, is expected to improve results on the ground; improve ADB's openness, accountability, and responsiveness; and to enhance ADB's organizational capacity – thus improving the way ADB is managed to achieve real development results.

ADB's Operations Evaluation Department (OED) is responsible for administering ADB's independent operations evaluation functions, which aim to improve the design and execution of ADB's future activities in light of the lessons learned from its operations, and to enable ADB to account to its shareholders for the effectiveness of its development assistance to its developing member countries. A major activity of OED is preparing project and program performance audit reports (PPARs) of completed projects/programs for which project/program completion reports have been prepared by the operational departments responsible for the processing and implementation. PPARs involve the comprehensive evaluation of project/program effectiveness in achieving objectives and provide analytical commentary focusing on lessons of operational significance.

OED also undertakes various intensive studies of broader relevance to ADB's operations, such as preparing technical assistance performance audit reports, impact assessment and special evaluation studies, reevaluation studies, and country assistance program evaluations. To ensure the usefulness of operations evaluation, OED provides ADB with effective feedback of lessons learned through several channels, including the computerized operations evaluation information system, the annual review of evaluation activities, country/sector syntheses of operations evaluation findings, and feedback sessions with operational departments. Through technical assistance, OED also assists DMCs in developing and strengthening their independent evaluation capabilities.

As of 1 January 2004, OED became an independent Department reporting to ADB's Board of Directors through the Board's Development Effectiveness Committee (OED formerly had a reporting relationship through ADB's President, as with other operational departments).

In terms of ADB accountability, much recent attention has focused on “Inspection”. ADB's “Inspection Function” was established by its Board of Directors in late 1995 as a complement to ADB's existing audit, supervision, and evaluation systems. The Inspection Function was to provide a forum for project beneficiaries to appeal to an independent body with respect to ADB's compliance with its own operational policies and procedures. The first full inspection process, relating to the Samut Prakarn Wastewater Management Project in Thailand, was conducted from April 2001 to March 2002, and it became evident that the inspection process and procedures were lengthy, confusing, and complex for most stakeholders inside and outside ADB. The first full Inspection also raised concerns about independence, credibility, transparency and information dissemination, as well as the overall effectiveness of the Inspection Function. As a result of such concerns, ADB launched a review of the Inspection Function, including an extensive public consultation process.

The review resulted in the May 2003 approval of a new accountability mechanism to address the concerns of persons affected by ADB-assisted projects. The new Accountability Mechanism

consists of two complementary functions – a consultation phase and a compliance review phase. The new Accountability Mechanism became effective from December 2003.³⁰

The **consultation** phase is to assist project-affected people with specific problems caused by ADB-assisted projects through a range of informal, consensus-based methods with the consent and participation of all parties concerned, such as consultative dialogue, good offices, or mediation. The Special Project Facilitator appointed under the Mechanism is responsible for the consultation phase and reports directly to the President.

The **compliance review** phase is to establish ADB's accountability in its operations by providing a forum in which project-affected people (and in special circumstances, any Board member) can file requests for compliance review. A three-person Compliance Review Panel (CRP) established under the Mechanism investigates alleged violations by ADB of its operational policies and procedures in any ADB-assisted project that directly, materially, and adversely affects local people in the course of the formulation, processing, or implementation of the ADB-assisted project. The CRP is responsible for the compliance review phase. The CRP reports directly to the ADB Board on all activities, including post-compliance review monitoring and its outcomes, except on specific activities where reports are made to the Board Compliance Review Committee. In addition to public sector operations, the Accountability Mechanism also applies to ADB's private sector operations.

While the Operations Evaluation Department, the Office of the Compliance Review Panel, and the Office of the Special Project Facilitator are intended to enhance ADB's development effectiveness and project quality, and to ensure that ADB is both responsive to the concerns of project-affected people and fair to all stakeholders, some of ADB's stakeholders believe that ADB has not gone far enough. The May 2004 "collective statement" by the NGO Forum on ADB, for example, "demands that ADB commission independent monitoring and evaluation of its projects."³¹ The statement also notes that:

Civil society organizations demand that the ADB be held accountable for the consequences of its lending. ADB claims to agree in principle with this statement, but views accountability only in terms of compliance with its own operational policies for safeguards, governance, and quality. While such a view of accountability is extremely limited, experience has repeatedly shown that the ADB is incapable of living up to even this narrow concept.³²

Therefore, despite the concrete steps that ADB has taken in the recent past, questions about ADB's accountability, both as an institution and in terms of its operations and activities, are likely to continue to come from the NGO Forum. At the same time, it is possible to question the "representativeness" of some advocacy groups, including their connections to the people they claim to represent. Also important in the dialogue with such groups, as well as with civil society as a whole, is the primary role of governments – both donor and developing member country – as the "owners" of ADB and the activities it undertakes in the Asia and Pacific region.

³⁰ An Inspection of the Chasma Right Bank Irrigation Project in Pakistan was initiated under the former Inspection Function, and has not yet been completed (July 2004).

³¹ NGO Forum statement.

³² NGO Forum statement.

8. ADB Funding for NGO/CSO Initiatives

NGOs have long advocated that ADB should develop a mechanism to provide funding support for NGO initiatives. NGOs feel that ADB should recognize the viability of many NGO programs by providing financial support for up-scaling or replication.

ADB currently has no ongoing direct funding mechanism to support NGO/CSO activities. Furthermore, provision of ADB's lending and non-lending products and services (including technical assistance funding) is undertaken upon request and/or approval of ADB's developing member countries. In principle, a DMC could request that ADB support be provided directly to an NGO or other civil society group, but given limited ADB resources, governments are unlikely to make such requests. Thus, any ADB financial or other support to NGOs/CSOs is provided in the context of government-approved and executed loan or technical assistance projects. In such cases, NGOs serve as project implementers, or otherwise are contracted to undertake specific component activities or to provide project-related services.

ADB's *Medium-Term Strategy, 2001-2005* calls for the development of new modalities for working together with NGOs, in addition to those undertaken through the Japan Fund for Poverty Reduction (as a direct complement to other ADB-supported activities). The *Medium-Term Strategy* indicates that

The development of partnerships is becoming increasingly important to draw upon expertise essential for delivering many targeted interventions, expertise that is not always available within ADB. These will include developing funding (and control) mechanisms that will allow NGOs to directly access ADB funds...Methods that will allow NGOs to implement a wider range of ADB projects and programs, particularly targeted poverty interventions, will also be developed.³³

One of the *Framework's* key recommended actions is a review of current modalities for funding NGOs as well as the establishment of a small grants window to support development initiatives of NGOs involved in ADB-sponsored activities. A consultant study detailing ADB experience in providing funding support to NGOs/CSOs recently has been completed. In addition, the NGO Center currently is administering a \$1 million regional technical assistance (RETA) project, "NGO Partnerships for Poverty Reduction". The RETA, financed on a grant basis through the Poverty Reduction Cooperation Fund, provides grant funding support for NGO/CSO poverty reduction and/or capacity development projects. As of June 2004, 35 projects had been approved in 13 DMCs. This RETA serves as a pilot for the establishment of a larger ADB NGO/CSO direct funding mechanism.

It is to be noted, however, that the establishment of such a direct funding mechanism in support of NGO/CSO activities will require additional donor funding or, alternatively, some reallocation of ADB's limited grant and technical assistance funding.

9. ADB and NGO/CSO Capacity Development

ADB's NGO Cooperation policy indicates that "Institutional development and capacity building support for NGOs will be pursued, consistent with overall strategies and existing policy and practice. Institutional development and capacity building for governments in NGO-related matters similarly also will be pursued."³⁴ The *Framework* similarly indicates that ADB will

³³ ADB. 2001. *Medium-Term Strategy, 2001-2005*. Manila. Paragraph 46.

³⁴ ADB. 1999. *Cooperation Between Asian Development Bank and Nongovernment Organizations*. Manila. p. 34.

provide technical assistance to build NGO capacity in project management and governance. What hasn't been clearly determined is what kind or what level of capacity development is required and for which groups in which countries, how best ADB might provide or support such capacity development initiatives, as well as the level of financial and other resources likely to be required.

In early 2004 the NGO Center began with a modest first step: a pilot workshop for a group of senior NGO managers from across the Asia and Pacific region to familiarize them with ADB, its policies, its operations, as well as opportunities for cooperation and collaboration – a primer on “how to work with ADB” (and akin to NGOC-organized trainings for ADB staff on “how to work with NGOs”). Given the success of this pilot information/orientation workshop, ADB must now consider how to scale-up the activity so as to reach a wider NGO/CSO audience.

With respect to developing DMC capacity to engage with NGOs/CSOs, upon request by DMCs, ADB technical assistance can be used to help governments develop appropriate legal and other frameworks promoting effective government-NGO/CSO collaboration, including with respect to the elaboration, implementation, and monitoring of national development and poverty reduction programs.

10. The Private Sector and NGO/CSO Collaboration

In addition to promoting enhanced civic society engagement; ADB also works to strengthen the private sector in its developing member countries. The key premises for ADB's work toward strengthening the private sector are as follows:

- Private sector development is crucial to economic growth
- Sustainable economic growth creates jobs and can reduce poverty
- The private sector is the largest source of investment and employment
- Expanding the private sector increases the tax base for the delivery of social services

Less clear in ADB policy as well as in ADB operations is the relationship between civil society and the private sector, their mutual relationship with government, and ADB's role in promoting dynamic development partnerships. Although representatives of the private sector were involved in the elaboration of the *Framework*, none of the *Framework's* 24 recommended action items specifically address collaboration between the private sector and NGOs/CSOs. Is the private sector part of civil society, or are market forces firmly outside the third sector? Given the difficulties in promoting trilateral cooperation among ADB, governments, and NGOs/CSOs, how best should quadrilateral cooperation be promoted? In this regard ADB's NGO Center has made some initial efforts to encourage corporate sector support for NGO/CSO-led development efforts, including a March 2004 “Building NGO-Private Sector Partnerships Against Poverty”.

V. CONCLUSION

This paper has summarized the Asian Development Bank's recent efforts to engage with NGOs and other civil society groups, including through institutional arrangements that promote effective development partnerships. The paper also has highlighted some of the constraints to enhanced cooperation among ADB, its member governments, and NGOs/CSOs.

Although constraints and difficulties exist, there also are many opportunities for constructive engagement. Through joint efforts to implement the 24 recommended “action items” in *ADB-Government-NGO Cooperation: A Framework for Action, 2003-2005*, ADB looks forward to working with NGOs/CSOs as well as governments to achieve the common vision of “improved

cooperation among the Asian Development Bank, NGOs/CSOs and government to reduce poverty in the Asia and Pacific region through collaborative efforts to promote pro-poor sustainable growth, social development, and good governance”.

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