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Participation and the World Bank Success, Constraints, and Responses

Draft for Discussion

*(prepared for the International Conference
on Upscaling and Mainstreaming*

*Participation: of Primary Stakeholders:
Lessons Learned and Ways Forward)*

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Social Development Papers

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Preface

This paper was prepared as an input to the international conference, *Upscaling and Mainstreaming Participation of Primary Stakeholders: Lessons Learned and Ways Forward*,” held in Washington, D.C. in November 1998. The paper focuses largely on internal aspects of the Bank’s participation work. This is a working document that will be revised based on input from the conference and other regional consultations. The Bank expects that this paper will help to define the work program of its participation thematic team.

This paper draws heavily on input from the many staff members who contributed their time and effort to organizing and participating in focus group meetings and commenting on drafts. The paper was written by Maria Aycrigg, a consultant from Environmental Resources Management to the Bank, under the supervision of Aubrey Williams, acting head of the NGO Unit, Social Development Department. Gloria Davis, director of the Social Development Department, and Parmesh Shah, participation coordinator, contributed to both the process of research and the content of the paper.

1. Introduction

1. Since his appointment as president of the World Bank, James D. Wolfensohn has been strongly supportive of participatory approaches in projects and policies. In his 1998 Annual Meetings speech, Mr. Wolfensohn said:

“Participation matters—not only as a means of improving development effectiveness, as we know from our recent studies—but as the key to long-term sustainability and leverage. We must never stop reminding ourselves that it is up to the government and its people to decide what their priorities should be. We must never stop reminding ourselves that we cannot and should not impose development by fiat from above—or from abroad.”

Overview

2. In 1994 the Board of Executive Directors of the World Bank endorsed the report “The World Bank and Participation.” This document set out a working definition of participation as well as an action plan to support and facilitate participation on a Bankwide level (see box 1). Against the backdrop of a rapidly changing world and significant changes in

the Bank as an institution, the Bank has endeavored to implement the action plan outlined in 1994. It has made good progress in some areas of the participation agenda and has achieved success beyond what was originally expected in a few. In some areas, the Bank has fallen short of its original goals.

3. The Bank has a variety of instruments for assisting its client countries in the development process, including lending instruments, policy formulation, and analytical work. Within each of these instruments, there are a variety of examples in which the Bank has achieved success in supporting participatory processes in its development programs. While these are individual examples, they tell a story of a trend toward more support for participation in the Bank. It is clear, however, that there are also obstacles to overcome and issues to address before participation can be considered mainstreamed.

4. The record is specific to regions and to sectors. For instance, participation seems to have been more internalized by management in some regions than others, widening the opening to pursue participatory approaches in those regions.

Participation at the country level also varies greatly by region and country, depending on socioeconomic, historic, and cultural context. While examples of participation exist in every sector, some of the most interesting and effective participatory initiatives have been in the rural sector, which tends, by nature of the projects, to lend itself to participation, as well as in water and slum upgrading projects.

Background and Methodology

5. This paper was prepared as a submission to the international conference on “Upscaling and Mainstreaming Primary Stakeholder Participation: Lessons Learned and Ways Forward.” It

was prepared in an effort to take stock of the Bank’s experience in mainstreaming participation, and to lay the groundwork for the next phase or generation of participatory approaches. The paper is based on focus group/brainstorming meetings with Bank staff representing five regions (Africa, East Asia and Pacific, Europe and Central Asia, Latin America and Caribbean, and South Asia); a desk review of operations; and responses from field offices to a set of questions. Staff who participated include task team leaders, country operations officers, sector leaders, and social scientists.

6. Input was sought generally on the following questions:

Box 1. Action Plan as Outlined in “World Bank and Participation” (1994)

1. The Bank will seek opportunities to support government efforts to promote a more enabling environment for participatory development within client countries, by addressing participation in policy dialogue, capacity-building programs, and public-sector management activities.
2. Regions will establish procedures and allocate resources for sharing responsibility for economic and sector work (ESW) with government and a wider range of stakeholders.
3. Regions will ensure that lending operations and ESW include a process for identifying at an early stage: (a) who the relevant stakeholders are, and (b) how they will be involved in the activity. Documentation of projects and ESW will include brief descriptions of the participatory process.
4. The Bank will strengthen its capacity to support participation by providing participation-related field-based learning opportunities and training programs for Bank staff and managers, and adjusting the skill mix and attitudes at headquarters and in resident missions.
5. Through its regular budget processes, as well as by appropriate use of the Fund for Innovative Approaches in Human and Social Development, the Bank will allocate resources to maintain innovation, learning, and mainstreaming participation and will provide incentives and recognition to staff who undertake participatory initiatives.
6. The Bank will provide institutional arrangements to support greater adoption of participation by designating a group of senior managers to oversee the implementation of this action plan during its first two years, continuing the Bank-wide learning group to provide a network for promoting participatory initiatives, and supporting the establishment of an interagency collaborative learning group on participation.

- What are the achievements in mainstreaming participation since 1994?
 - Where has the Bank fallen short; what issues has the Bank not addressed?
 - What are the supporting and constraining factors?
 - What are the issues and opportunities to consider for the future?
 - What recommendations can we make to support mainstreaming participation?
- Which types of stakeholder identification have worked best in which contexts?
 - What dimensions of the enabling environment facilitate which types of participation?
 - What types of participation work best at different project phases?

Institutional Context

7. While this paper is a preliminary review, the Operations Evaluation Department of the Bank (OED), an independent evaluation unit that reports on development impact and performance to the World Bank's Executive Directors, has just begun an in-depth evaluation of the Bank's work on participation. It will be both a process review and an impact evaluation. OED expects to complete the evaluation in late 1999. Based on literature reviews, case studies, and data review, the OED evaluation will aim to answer some of the following questions:

- What types of participation work best for which sectors and services?

8. The Bank is a lending institution with governments as its primary client. All of the Bank's work on participation must be understood in this context. While the Bank is having some success in convincing governments to be more responsive to and accepting of participation, its track record depends on the degree to which governments are interested, supportive, and willing to invest in participation. The Bank has implemented numerous internal institutional, procedural, and policy changes that are helping to support participation. Projects, however, ultimately belong to governments to prepare and implement. This relationship constitutes both the Bank's comparative advantage and the single largest constraint to mainstreaming participation in its operations.

2. Participation in Projects

9. Many individual examples of Bank-financed projects being prepared and implemented in a participatory manner can be cited, as can cases in which participation is influencing project design (see box 2). The number of projects that have included social assessments, beneficiary assessments, and other participatory processes has increased steadily since the early 1990s.¹ The most important institutional constraint to mainstreaming participation in Bank-financed investments has been the cycle for identifying, preparing, implementing, and monitoring projects. In an effort to address some of the problems associated with the project cycle, the Bank is supporting and adopting more innovative and flexible lending instruments and is focusing more of its attention on capacity building for community institutions.

Problems in the Project Cycle

10. Staff who contributed to this paper report that stakeholder consultation in project preparation has become routine. As one staff member said: “People now understand that consultation and participation are key to project success.” Nonetheless, several institutional

constraints continue to make pursuing participatory approaches difficult, the most important of which is the project cycle that is considered by many to be too long and too rigid.

11. Although there are exceptions, in most cases by the time a project is prepared—when most of the primary stakeholder consultation and/or participation takes place—its basic framework has already been decided, typically through early policy work. If policy formulation and analytical work have not been conducted with broad-based participation, the projects and policies that emerge often do not reflect the needs and priorities of the primary stakeholders. One staff member commented: “Participation during preparation results in some tinkering around the edges of an already defined project, when it is too late for primary stakeholder views and concerns to be factored into project design.”

12. Additionally, given the nature of the Bank’s project cycle, the expectations of stakeholders who were consulted or who participated in some way during preparation or identification are raised—

Box 2. The Effects of Consultation and Participation

As a result of consultation and participation, projects are more inclusive, involving key stakeholders and including the traditionally marginalized; they are more socially sound, having more benefits and fewer adverse social impacts; and they are more effective and sustainable, having more ownership and better institutional arrangements at the country level.

Jamaica: Demand-Side Management Project. When NGOs questioned the project design, participatory methods were used to facilitate problem-solving and determine actions acceptable to all parties. Mechanisms were put in place to ensure that the problems identified did not resurface, and stakeholders agreed to restructure their work program.

El Salvador: Education Projects. Through several participatory mechanisms, children and young adults have been collaborating in the design of education projects in El Salvador. As a result, a fund managed by children was created (Fondo Alegria) to finance activities chosen and managed by students, such as choirs, reading clubs, reforestation campaigns, science fairs, leadership workshops, and art festivals.

Lesotho: Highlands Water Project. As a result of working closely with civil society groups, project authorities and donors have improved resettlement packages, enhanced the scope of rural development for the project area to include host communities, and begun to restructure the use of project royalties to ensure that they are used more equitably for development across the Kingdom of Lesotho.

Venezuela: Slum Upgrading Project. During preparation a team of social scientists conducted extensive consultation with community groups, local NGOs, and residents in Caracas slums about their values regarding their city, neighborhood, and homes. Results were consolidated into project design. Implementation will be undertaken jointly by community groups, the private sector, and government.

India: Irrigation Rehabilitation Project. A series of state-level loans for irrigation rehabilitation have integrated participatory irrigation management (PIM) into the project. The state government has consolidated many of the diverse water-related agencies under a single Water Resources Department, while at the same time divesting much of the irrigation management functions to user organizations.

Brazil: AIDS and STD Projects. Unprecedented civil society-government-Bank relations have turned previously conflictual relationships into productive partnerships. In Curitiba, for example, this was achieved after civil society organizations were brought into the process through an invitation to serve on the Parana State AIDS Commission. With adequate information and frank dialogue, civil society organizations learned more about the complexities of governing, and assumed greater responsibility for AIDS policy in the state.

Kazakhstan: Irrigation and Drainage Improvement Project. A social assessment for the project documented that workers on former collectives and state farms knew very little about their rights and responsibilities in the farm privatization process. To ensure that beneficiaries had a role in making decisions regarding irrigation investments and organization, a five-step process was developed that engages all member of the farms in key decisions in the design and tendering process. This participatory process has given some farm workers the courage to leave the old farm structure and to start their own private farms.

Lithuania: Energy Efficiency Housing Project. After independence in Lithuania, individuals were given ownership of their apartments, but few buildings developed institutional mechanisms to manage common areas. Subsequently, energy costs skyrocketed. Based on a participatory pilot activity, the project will create and strengthen homeowners' associations and make funds available to them to improve energy efficiency.

Box 2 (continued)

Indonesia: Kecamatan Development Project. This project uses block grants, bottom-up planning procedures, open menus, and pervasive transparency to revitalize community development in Indonesia. The project relies heavily on civil society oversight, and includes innovations such as monitoring contracts for independent newspapers, website listings of all participating subdistricts, and one-day provincial socialization courses for local journalists, researchers, and NGOs wishing to track the project.

Palestinian NGO Project. Recognizing the embryonic stage of the Palestinian Authority (PA) and the need to rely on NGOs to deliver essential social services, the project has established a trust fund to: (a) deliver social services to the poor and marginalized, using NGOs as the delivery mechanism; (b) improve the institutional capacity of NGO grantees; and (c) strengthen the working relationship between the PA and the Palestinian NGO sector. Consultations with local and international NGOs and donors were an essential part of project preparation. A service-delivery survey is being carried out to identify community needs and NGO capabilities and achieve more effective outreach.

Latin America: Indigenous Peoples Capacity Building Initiative. Responding to what indigenous peoples' organizations reported as the top priority of many of their communities—capacity building—the Bank developed an “Indigenous Peoples Capacity Building Initiative” consisting of a series of individual proposals drafted jointly by Bank staff, national indigenous organizations, and cognizant government institutions for grants from the Bank's Institutional Development Fund. From these beginnings, the Bank was able to identify a number of potential investment projects, and, more importantly, the places where ownership, capability, willingness, and resources were in place to put together the World Bank's first indigenous development investments. Ongoing indigenous development loans that grew out of the Capacity Building Initiative now exist in Ecuador, Mexico, and Argentina.

sometimes as much as one to two years before any project action or progress can be demonstrated. A tension, therefore, is created by including participation at the identification or pre-identification stage, and thus raising primary stakeholder expectation long before projects will begin activities.

13. Finally, the Bank's experience with primary stakeholder participation during supervision/monitoring has been weak, and is only recently beginning to show signs of improvement. Participation of stakeholders in the design and implementation of appropriate monitoring and evaluation systems at the project level has made little headway. Too little attention and too few resources have

been devoted to monitoring and evaluation and to evaluation capacity development—a key instrument of good governance.

Responses to Problems in the Project Cycle

14. To address some of the problems with participation and the project cycle, the Bank has developed a variety of lending instruments that are flexible, iterative, and process-oriented. Social Funds are now in their third or fourth generation. Learning and Innovation Loans, and Adaptable Program Lending are part of the new Bank-wide adaptable lending approach.

Social Funds

15. Social Funds² are becoming increasingly important lending instruments in the World Bank's efforts to reach the poor, especially in their demand orientation and in their ability to increase local-level capacity building, which are both important features of participation. Social funds are designed as rapid, demand-driven funding mechanisms that channel resources to community-level development projects according to a predetermined set of criteria. Social Funds finance subprojects proposed by other public, private, and voluntary (formal and informal) organizations. The social fund portfolio is diverse and growing. The Bank had approved 51 social funds in 32 countries, committing US\$1 billion as of the end of FY96. As of the same time, the portfolio as a whole was identified as "well-performing."

16. Initially the value of social funds was seen primarily as their ability to transfer assets to the poor during periods of economic and political upheaval. Today, social funds are seen as instruments for contributing directly to risk management at the community level and social capital among the poor, through the engagement of community groups in the creation and management of local infrastructure, basic services, and natural resources. This transition will only be complete, however, when fundamental changes in the design of social funds toward participatory, demand-led approaches that focus on building local organizational capacity are achieved.

17. As social funds have attempted to become more focused on community

development and participation over the years, a number of adjustments have been made. Fund activities have shifted from viewing community groups as vehicles for collecting local materials, providing labor, and conducting operations and maintenance, to recognizing them as being in charge—with control and authority over decisionmaking and resource allocation, including handling funds, procuring materials, and hiring and firing contractors and other service providers. A number of funds routinely conduct beneficiary assessments to obtain feedback from community groups. Many projects approved recently have a strong demand orientation, which is key to achieving long-term sustainability at the community level. However, attention to investment in local organizational capacity to achieve sustainability is still needed.

Adaptable Lending Instruments

18. New adaptable lending instruments were approved in 1997. The goal of adding to the Bank's existing array of lending instruments was to better adapt borrowers' differing needs and to move away from the tendency to fund "blueprint" solutions, rather than be open to the multiple alternatives that participatory approaches imply. Borrowers are also looking to the Bank for support for long-term institution-building for environmental agencies; people-centered, participatory projects such as urban upgrading; and post-conflict reconstruction. As a result, the Bank has adopted such new instruments as Learning and Innovation Loans (LILs) and Adaptable Program Lending (APL).

19. LILs are designed to support small, time-sensitive programs to build capacity, pilot promising initiatives, or experiment and develop local models prior to larger-scale interventions. A LIL incorporates opportunities for intensive monitoring and evaluation, and includes the opportunity to assess borrower capacity and stakeholder response as part of the learning process, when these are unknown. LILs are modest in size, not exceeding US\$5 million each. A key component of the instrument is that Bank management has authority to approve LILs, rather than the Bank's Board of Directors.

20. A recent example of a LIL is the proposed Post-Conflict Social Recovery Project in Angola, which would test, in a limited number of target areas, a program to support war-affected rural communities in their efforts to reintegrate displaced people and revitalize community-level economic and social activities. In particular the project would foster participation of those directly affected and devastated by war in reconstruction decisions. The lessons gained from the experience of implementing the LIL are intended to serve as a basis for the design of a larger post-conflict social project aimed at enhancing the capacity of recipient communities in war-affected rural areas to reestablish normal economic and social activities.

21. The APL provides phased and sustained funding for implementation of a long-term development program that reflects economic priorities and poverty reduction. Under APL, loans are phased according to agreed milestones and

benchmarks for realizing the program's objectives. The World Bank Board of Executive Directors approves the first loan and the long-term program agreement under which the full sequence of Adaptable Program Lending is prepared. Authority for approval of subsequent loans in the sequence lies with Bank management (subject to oversight and review by the Board). APL is expected to be, on average, in the amount of US\$50 million and last for three to five years, but some are as large as US\$200 million.

22. The Rural Development in Marginal Areas Project in Mexico, which seeks to improve the well-being and income of smallholders in about 24 targeted areas, is being implemented with an APL approach, allowing a progressive geographic expansion of activities. Preparation and implementation of the first phase of this APL loan has permitted the government to establish the basis for national development planning.

Focus on Community Institutions

23. A new generation of projects is also making efforts to ensure effective participation in management and implementation. They aim to promote inclusive and sustainable institutions that manage and sustain the development process by moving beyond the conventional, target-oriented strategies to more holistic approaches: creating and building partnerships, capacity building of local institutions, and creating synergies across sectors. These efforts are being exerted in many rural development, water supply and sanitation, and poverty reduction projects. Such programs aim to achieve effective targeting by fostering

local ownership, developing local partners, and facilitating the creation of enabling environments that provide transparent and accountable mechanisms for delivery and distribution of goods, services, and resources at the community level.

24. These community-focused projects have promoted a range of initiatives, including development of partnerships for conservation and joint management of natural resources through water user associations, joint forest management associations, and women's self-help groups. The focus on decentralization and more effective local government in the Africa Region visible in most new rural

development programs is aimed at strengthening linkages with community-managed systems. The development of community-managed systems and institutions has led to initiatives for reforming and reorienting public-service agencies to enhance their effectiveness in delivering public goods, which has led to renegotiation of their missions and objectives.

25. The Bank's Quality Assurance Group (QAG) is working on the development of indicators to measure progress in achieving the objectives of sustainable and effective institution building.

3. Participation in Policy and Analytical Work

26. While the 1994 participation document was focused primarily on primary stakeholder participation, the Bank's greatest strides with regard to participation lie in policy formulation. Country assistance strategies (CASs) are now being undertaken with more broad-based and systematic consultation and participation, and major policy reviews are being conducted in a participatory manner. To integrate social policies and ensure consistency between them, work is currently underway to draft a policy on social analysis that would indicate when and how participatory approaches and social assessments should be carried out.

Country Assistance Strategy

27. The CAS³ is the Bank's main vehicle for designing its program to support sustainable development in a member country, taking into account the country's specific needs and conditions. The findings of a review of FY97-98 CASs show that a significant increase in the use of participatory or consultative processes in CAS has occurred since a smaller survey was undertaken two years ago. Of the 47 CASs approved by the Board in FY97 and the first half of FY98, a desk

review and consultations with regional staff identified 26 as "participatory." An in-depth review of 22 of the 26 (4 were dropped due to lack of information) revealed that 10 of them: (a) included extensive consultation with a broad array of civil society stakeholders, (b) involved civil society in the planning of the exercise, (c) reached out to rural areas, and (d) planned feedback or follow-up. This represented 45 percent of the 22 participatory CASs and 21 percent of all 47 CASs in the sample. Twelve of the 22 participatory cases (55 percent) had some degree of participation, representing 26 percent of the total sample.

28. Clear and direct impacts of consultation in the CAS process are increasingly being recognized (see box 3). In over half of the CASs that incorporated consultative mechanisms, Bank staff noted that the approach had direct identifiable impacts on the CAS, primarily on policy formulation, strategy focus, and institutional capacity. For example, the primary focus of the Colombia CAS was changed to address issues of violence and public insecurity. In Madagascar the sense of exclusion felt by the coastal and minority population in high plateaus was

identified, leading to a stronger focus on partnership and decentralization in the CAS.

29. The majority of staff responsible for these CASs felt that the benefits of incorporating civil society participation in the process significantly outweighed the costs. They felt that participation in the

CAS led to more informed development priorities for the country, as well as better-coordinated development efforts. In Guinea, for instance, participation in the CAS led to the identification of governance (justice and security, reconciliation and tolerance, democracy, transparency, decentralization and gender equality) as one of the five priority

Box 3. How Participation and Consultation Contribute to a CAS

- The Kenya CAS changed from viewing participation as an instrumental process confined to the preparation of the CAS, to seeing participation as a long-term strategy to articulate the goals and achieve the objectives of public-sector reform.
- The Guatemala CAS deals with the inclusion of the country's indigenous people in the process of economic growth and development as its central issue. Bank staff have worked with stakeholders to design operational mechanisms for the implementation of key elements of the Peace Accords signed by the former combatants to ensure indigenous participation in the development process.
- The Bolivia CAS addresses the process of inclusion for the poor and indigenous people through its focus on themes of opportunity, institutional development, and equity.
- The Tajikistan CAS addresses issues of social accord and peace-building in a post-conflict context through equitable growth and targeted poverty reduction in areas controlled both by the government and the former opposition.
- The Mongolia CAS addresses inclusion of women as a major theme.
- The Papua New Guinea CAS recognizes explicitly the distinctive social and cultural nature of PNG, particularly the existence of a fragmented social terrain, the "big man" complex, and the implications of these factors for the structure of the modern nation state.
- The CAS for Yemen draws on extensive dialogue with prominent Yemeni social scientists to design a reform process that will be socially sustainable.
- The Vietnam CAS is being prepared based on sector strategy notes that have been discussed with NGOs who were invited to share their perspective on poverty.
- The Bangladesh CAS focuses on institutional aspects of economic growth and poverty reduction, with a specific focus on the role of civil society and private-sector institutions in the delivery of basic services and infrastructure development.
- The Nepal CAS focuses on institutional weaknesses that contribute to exclusion (gender, caste, and ethnicity) and is anchoring its approach in successful examples of decentralization of decisionmaking and resource allocation.

development issues. Staff also felt that participatory CASs were a method of bringing those who had traditionally been marginalized into the development process.

30. Until recently, CASs have been confidential. As civil society participation in their preparation has grown, there has been increasing pressure for disclosure. In August 1998 the Board agreed that (a) civil society consultations were to be encouraged in preparing a CAS; (b) after Board discussion of the CAS, and with consent of the government, the Bank should release a Public Information Notice describing the main elements of the CAS; and (c) henceforth, when governments so request, the Bank may fully disclose the CAS.

Policy Consultations

31. The Bank is undertaking several major policy reviews, which are being conducted in a consultative and participatory manner. Examples include the Structural Adjustment Participatory Review Initiative, the Forest Policy Implementation Review and Strategy, and the Indigenous Peoples Operational Directive Review.

Structural Adjustment Participatory Review Initiative

32. The World Bank, in conjunction with national governments and a worldwide network of almost 1,000 civil society organizations, launched an exercise in 1997 to assess the economic and social impact of structural adjustment policies in seven countries. The project, known as the Structural Adjustment

Participatory Review Initiative (SAPRI), has been officially launched in Bangladesh, Hungary, and Uganda. Other countries involved in the exercise, (Ecuador, Ghana, Mali, and Zimbabwe), are organizing public forum launches in November and December of 1998.

33. A national steering committee composed of representatives of NGOs, labor unions, farmers' associations, women's groups, chambers of commerce, manufacturers' associations, and churches, as well as government ministries and the World Bank, has been set up in each participating country to coordinate the review. Each country team will investigate the effects of adjustment by: (a) organizing public fora, (b) conducting a field investigation into the impacts of selected adjustment policies, and (c) summarizing the existing literature on adjustment in that country. The country case studies will look at the effects of policies on all social groups—both winners and losers—with particular emphasis given to impacts on those who have not benefited and not participated in the policymaking process.

34. Concrete actions related to changes in national adjustment policies, the opening of the adjustment-planning process to broad local participation, and modifications in the Bank's own research instruments will be on the agenda. The findings and follow-up actions of the participating countries will be presented and discussed with senior Bank management and policymakers at a concluding national public forum and at a closing international public forum.

35. SAPRI has been an important initiative for demonstrating partnership

between the Bank and NGOs, and for developing an understanding of each parties' institutional realities. The Bank has made documentation available to its NGO partners, and the national forums organized by SAPRI are bringing a variety of stakeholders together, which is both informing the initiative and generally resulting in better communication and partnerships between and among government, NGOs, and the Bank. The SAPRI NGOs have been particularly successful in getting grassroots representatives included in the national forums.

36. While all sides agree that this is an important initiative, it has not been without problems. Both sides would agree that the process has taken longer than either would have anticipated or liked. Both sides also agree that the local committees must lead the process, with strong direction from civil society groups, particularly on the choice of issues to tackle. The still quite challenging aspect of the project lies in the fieldwork. All sides must agree on what constitutes "evidence," and this is where all parties are hoping to learn new approaches to understanding the issues and new ways in which policies can become more effective.

Forest Policy Implementation Review

37. The World Bank is conducting a Forest Policy Implementation Review and developing a strategy to guide its work in the forest sector. The Bank recognizes the need to place its role in forest activities in perspective and more in conjunction with that of other stakeholders engaged in the forest sector. Thus the Forest Policy

Implementation Review and Strategy is being conducted in an open, consultative manner designed to seek input and feedback from key stakeholders. The main objectives of the process are to:

- Listen to and consider views of all key forest-related constituencies and ensure that they have reasonable opportunity for involvement in the policy review and strategy development process
- Identify the broader set of issues that impact on forest resources in Bank client countries and related sectors, including consideration of alternatives for addressing these issues
- Assess stakeholder perspectives on the Bank's comparative advantage as an input to developing an appropriate strategy.

38. Components of the process include a World Wide Web Site, country and regional stakeholder consultations, technical advisory group(s) that may be formed, and a concluding meeting on completion of the World Bank's OED Review and Strategy.

Indigenous Peoples Operational Policy Revision

39. The World Bank was the first multilateral financial institution to introduce a special policy for the treatment of indigenous or tribal peoples in development projects. Currently, the World Bank is in the process of revising its operational policy on indigenous peoples in order to clarify certain aspects

of existing policy and improve future implementation. For that purpose a Working Group comprised of social and legal experts in the World Bank and the International Finance Corporation was formed to revise the policy. The Working Group has produced an Approach Paper, which outlines a strategy and set of recommendations for revising the policy.

40. As part of the revision process, the Working Group is conducting broad consultations on the Approach Paper, the main objectives of which are to generate greater understanding of World Bank policy; clarify certain critical aspects of the current policy, and obtain a wide range of perspectives on the Approach Paper and the changes it recommends. The Working Group will obtain the views of various interested parties, both within and outside the World Bank. This includes Bank staff members responsible for ensuring compliance with Bank policies, as well as various stakeholders in the Bank's Borrower countries. Among the latter, the views of indigenous peoples and their organizations are particularly important. Government officials responsible for providing services to indigenous communities, academic specialists, NGOs, and private-sector entities will also be consulted.

Analytical Work

41. Participation is also making inroads into the Bank's economic and sector work. One example is the energy sector strategy forum for Eastern Europe and Central Asia, sponsored by the Bank and attended by representatives from a large number of countries and donor

agencies. One of most prominent ways that the Bank is integrating participation in analytical work is through Participatory Poverty Assessments (PPAs).

Additionally, by December 1997, a work program including research on social development had been developed within the Poverty Reduction and Economic Management Network, and a collaborative work program had been proposed for the World Development Report 2001 on poverty.

Participatory Poverty Assessments

42. To strengthen the link between the Bank's assistance strategy and country efforts to reduce poverty, the Bank undertakes country-specific analysis of poverty in the form of poverty assessments. Income and consumption data and education and health status are core elements of the analysis of poverty usually based on the results of household questionnaire surveys. Participatory poverty assessments (PPAs) use participatory research methods working with individuals, groups, households, and communities with the objective of understanding poverty from the perspective of the poor by focusing on their realities, needs, and priorities.⁴

43. PPAs are responding to the challenge of inclusion by directly presenting the views of the poor to policymakers, both in client countries and in the Bank. While participatory approaches have been used by social scientists for some time in project work, their use for policy analysis is new. After five years and 43 PPAs, the Bank is learning many lessons that broaden its

understanding of both poverty and the policy formulation process.

44. PPAs use participatory research methods working with individuals, groups, households, and communities with the objective of understanding poverty from the perspective of the poor, by focusing on their needs and priorities. The objective of the PPA is to ensure that intended beneficiaries have some control over the research process, and that communities share their knowledge and are involved in analyzing the results.

45. Over the past few years the percentage of PPAs in poverty assessments has increased. One-fifth of the Bank's poverty assessment completed in FY94 included a PPA. In FY95, this figure rose to one-third, and in FY96-98, approximately one-half of all Bank poverty assessments included a PPA. The extent and quality of participation has, however, varied extensively. Some PPAs have been criticized for limited participation, especially where surveys were quick (less than two weeks of field research in some countries) and the results were not fed back to communities. In others the quality of participation has been questioned. Although "participatory" research methods may have been used, the research teams have sometimes adopted a dominant role, undermining potential participation and resulting in more strict data extraction than participation.

46. PPAs, nonetheless, deepen the Bank's understanding of poverty by enabling the poor to highlight dimensions of poverty, explain the processes of

impoverishment, and rank their priorities. Until now the policy dialogue has been dominated by income and consumption measures of poverty; PPAs are enhancing this analysis by providing other insights on the nature of poverty.

47. While it is not yet possible to fully assess the impacts of PPAs, most appear to have achieved the goal of deepening understanding of poverty and some have achieved a positive impact on policy formulation. For the wider impact to be achieved, however, PPAs need to be seen not just as tools for data collection but also as an approach to influencing policy. To achieve this goal PPAs need to:

- Use participatory techniques for diagnosis or understanding both the policy environment and the ability/willingness of institutions to deliver the evolving policy
- Build the capacity of some institutions to use participatory methods for implementation and delivery of the policy, and include those who will implement the policy in its process of formulation
- Initiate appropriate partnerships and linkages between and within formal and informal networks and institutions.

World Development Report 2001

48. "Consultations with the Poor" is a study currently being planned to serve as an input to the *World Development Report 2001* on poverty. It is designed to enable a wide range of poor people in diverse

countries and conditions to contribute to the concepts and content of the *WDR-2001*. The study focuses on poor peoples' perceptions in three areas: well-being and ranking of problems and concerns; trends and changes over time (relating to vulnerability, exclusion, risk, opportunity, crime and violence); and institutional and power relations. There are two components to the study. The first is an extensive literature review of participatory poverty assessments and other Bank and external studies that use participatory and qualitative methods. Second, new qualitative and participatory field studies will be carried out in some twenty countries.

Analytical Tools

49. The Bank's shift toward the inclusion of social issues has created the

need for a deeper understanding of participation among Bank staff. In response to this need the Bank published its *Participation Sourcebook*⁵, which provides case studies, pointers, and methods for Bank staff who are pursuing participatory initiatives and has been widely distributed both in and outside the Bank. The Bank has also expanded its analytical work with a series of papers on participation in various sectors (education, forestry, irrigation, agricultural extension, water and sanitation) and themes (gender, indigenous people, economic and sector work, poverty assessments, social funds, and NGOs). Closely related to participation, the Bank has also increased work on social capital, community-based development, local-level institutions, indigenous people, gender, and social integration.

4. Institutional and In-Country Constraints

50. A variety of underlying factors contribute to the difficulties that Bank staff face in pursuing more broad-based participation. In relation to their efforts to expand opportunities for participation, staff who were involved in preparation of this paper expressed the concerns noted below.

Institutional Constraints

51. Among the most serious institutional constraints identified by Bank staff were the unevenness of support for participation at the management level, the limited resources available in for participation activities, and continuing skepticism about the value-added of participation, given the lack of verifiable indicators.

Management Support

52. Despite support from the top levels of Bank management, Bank staff are quick to point out that the degree of commitment to participation still depends largely on individual staff. While the situation varies greatly among regions, in most regions, team leaders feel that with the “right” country director or the “right” manager, they get support, in the form of both money and time, to pursue

participatory approaches in lending operations.

53. Management support for participation varies greatly across regions. In the South Asia Region, for instance, upper-level management support is strong, and sector leaders share an understanding of the importance of these issues. This has legitimized existing work at the task team levels. In other regions, however, staff said during focus groups that country managers and sector leaders were not dedicating adequate resources (time and money) to participation issues. In this sense, there is an opening for participation within the Bank, but it has not been mainstreamed across the institution.

54. Finally, some staff report feeling the need to meet lending targets. This is reflected even at the project level. A recent review of social funds in Africa found that end-users felt that the driving force was speed and efficiency at the expense of participation and sustainability.

Resource Limitations

55. Since 1994 the Bank has set up several funds to support participatory and consultative initiatives that would enable

the perspectives of primary stakeholders to be incorporated into project design and analytical work. These have included the Fund for Innovative Approaches to Human and Social Development, which provided more than US\$4.2 million in funds over three years to support projects and staff with participation skills; and the Client Consultation Fund in Africa, which supported activities ranging from stakeholder workshops to participatory assessment of stakeholder priorities and levels of satisfaction with services. The funds introduced a wide range of consultative methods in a number of the region's active borrowers.

56. In March 1997 the Strategic Compact was approved, providing incremental resources to strengthen core operational services, including participation and social sustainability, as well as to help implement regional social development action plans. Specifically, the Strategic Compact allocated US\$10 million in incremental resources to the regions to promote social assessment and participation in operational work and to identify and address key social issues that should be reflected in ESW and CASs.

57. Despite these special funds, since 1994, the first year of budget cuts, operations staff feel that they have been working with less money. Given that Bank operations are more complicated than they used to be, with more participatory mandates and more stakeholders, budget constraints work against participation. Supervision is also suffering.

58. The following constraints were said to affect participation in important ways:

- Given tight budgets, team leaders sometimes hire less expensive staff or consultants.
- Projects that are complex to supervise are often given the same budget as those that are simple.
- Sometimes technical specialists are excluded; social scientists may be the first to get cut.
- Not all clients countries have the same implementation capacity, especially in terms of participatory approaches, yet budgets do not reflect the differences. Weak supervision can compromise results on the ground.
- Tight budgets threaten the continuity needed for policy and institutional work. Such work requires constant dialogue with stakeholders, yet budgets may not reflect this.
- Because country directors (CDs) now control the budgets, if the CD is interested in participation, then the team leader has a mandate and support for participation; but if the CD is not interested, the team leader has little recourse.

59. Staff also report having to invest large amounts of time seeking trust fund money to pay for participation specialist input to projects or important participatory planning activities, such as social assessments or beneficiary assessments. Trust funds, however, are usually restricted to project preparation, and the administrative burden of

managing funds from multiple trust funds is high. The Pakistan Social and Environment Program was prepared with broad-based and systematic consultation and participation, but this was only possible because it had a large preparation budget including Bank funds, trust funds, and Japanese grant funds.

Consultation vs. Participation

60. In “The World Bank and Participation” participation was defined as “a process through which stakeholders influence and share control over development initiatives and the decisions and resources which affect them.” Over time other distinctions have been made with regard to the continuum of participation. That is, the Bank began to recognize several stages of participation: information sharing, consultation, collaboration and, finally, empowerment.

61. While focus groups reflected agreement that participation is better understood throughout the Bank, there still exists a tendency to call any activity along the continuum of participation (information sharing to consultation to participation) “participation.” Information sharing and consultation occur more frequently than participation in decisionmaking or implementation. Many project examples could be cited in which primary stakeholders were consulted as to project components or implementation strategy, but did not participate in the identification/selection of project components. Yet these projects are still referred to as “participatory.”

62. When projects do support participation, it is largely task-based and

functional in nature, rather than the type of participation that empowers primary stakeholders to make their own development decisions. Additionally the experience tends toward soliciting primary stakeholder participation in decisionmaking on one or two distinct points rather than throughout the project cycle.

Evidence of Value Added of Participation

63. Several issues should be considered in assessing the value-added of participation, not the least of which is that the Bank does not have convincing evidence that it exists. No mechanism has yet been devised to assess the value of participation as a process or a factor in achieving development impact. The proof is only impressionistic. The inability to show the value-added of participation in concrete terms has led to skepticism regarding the trade-off in value versus costs (time and money).

64. Second, in many cases staff report that consultation and participation take place in some form, but that the results are not factored into project design or implementation in a meaningful way. In this case, the value-added of participation is marginal.

65. Last, staff express the sentiment that, while participation in some sectors and some regions is more routine, questions as to quality remain. That is, there is no standard for what constitutes good quality consultation or participation. In this respect, a project may appear to be participatory, but if the participation is not systematic and rigorous, it may be of very little use to the primary stakeholder

or the project managers. Furthermore, little time and attention are given to preparing a participation plan to guide and sustain participation as a process over the life of the project.

In-Country Constraints

66. The Bank has learned that no one partner can know everything that needs to be done to achieve the goal of alleviating poverty. Therefore, the Bank encourages governments to reach out to other actors, such as civil society and the private sector, to help in the development process. NGO capacity and government commitment, however, are proving to be key constraints.

NGO Capacity

67. Operational collaboration, especially between the Bank, borrowers and NGOs, has increased. Although statistics are limited, a recent review reports that nearly one-half of all projects approved in FY97 (47 percent) either include some involvement of NGOs or planned to do so during implementation, and that there is a consistent upward trend of in upstream involvement of NGOs in operations.

68. Much remains to be done, however, in engaging NGOs meaningfully. Many Bank procedures provide for working with NGOs, but staff frequently do not use this flexibility to the fullest extent. Additionally, when rigidly applied, Bank procedures may overwhelm the administrative capacity of NGOs and neutralize their comparative advantage as responsive and flexible innovators.

69. Last, while partnerships with civil society actors continue to be very productive and important in many contexts, there is a sense that NGOs in the field are in danger of being over-financed and do not have the capacity to implement the assigned tasks and programs. NGOs are not a homogeneous group and do not have the same implementation capacity and ability. Some staff feel that projects have suffered because of a lack of capacity building within civil society, especially NGOs.

Government Commitment

70. The biggest single constraint and challenge to the Bank's ability to pursue participation across all its operations is government commitment. The Bank is constrained to a large extent by its articles of agreement, which mandate it to work with governments of client countries. The projects belong to the government to prepare and implement. Staff report feeling that "participation is constrained by the degree to which the government is interested, supportive, and willing to pursue it." Because of this relationship, the respective roles and responsibilities of the Bank and the government with regard to participation are easily blurred, especially if a government is not committed to participation and the Bank must struggle against that tide.

71. Because of the Bank's articles of agreement, governments are, in a strict sense, its only clients. Some staff, however, feel that the poor, who are meant to be the ultimate beneficiaries of project interventions, should be

considered the Bank's primary clients. One staff member asked: "Shouldn't governments and the Bank be partners in delivering services to the clients—the primary stakeholders?"

72. In many cases, Bank staff are struggling with participation in government agencies where there is little incentive to pursue participatory methods. Governments often do not have the needed skills and are reluctant to spend loan money on participation. The Bank rarely insists that participation be

included in project budgets or that it be paid under recurrent cost financing from the government. An additional obstacle is that openness to participation at the central level is often not translated to the local level, where many project activities are located.

73. Finally, some governments are either uninterested in, or actively discourage the existence of, NGOs and other civil society associations. Partnerships are therefore hard to form and can be risky.

5. Institutional Responses

74. The Bank has made strides in reorienting its culture away from the “right answer” mentality and toward a more open-minded and process-oriented approach. As one staff member noted: “We no longer look for technical solutions to sociological problems.” The changes fall into two broad categories—human resource changes, and policy and procedural changes.

Investments in Human Resource

75. The Bank can be said to have invested in human resources at three levels. First, the creation of the Social Development Family was intended to offer all Bank staff guidance on issues such as participation. Second, important changes were made in the staff and structure of resident missions. And third, the Bank has instituted a series of training courses for staff to increase understanding of social issues.

Social Development Family and Network

76. In January 1997 the Social Development Family was formed with responsibility for providing technical guidance on social development, especially participation, social

assessment, and social dimensions of ESW and CASs, among other things. During its first year, the Social Development Family set objectives with the intention of providing building blocks for future growth and development. These objectives included integration and mainstreaming of social analysis, participation, and gender considerations into operational work and incorporating social analysis and participation into CASs and sector work.

77. At the regional level, Sector Management Units for Social Development have been created and senior technical specialists have been appointed to head these units. To support the expanded work program, the number of social scientists is growing. In September 1998 the Social Development Family had 169 staff including 118 in the regions, 32 in the anchor, and 19 in other sections of the Bank. Of these staff, about three-quarters are social scientists (including economists) and one-quarter are trained in other areas. More than 40 percent are developing country nationals. Lastly, a participation thematic team coordinator has recently taken up that post and is pursuing an ambitious workplan.

78. Over the last five years, collaboration has increased within the Bank in setting up cross-sectoral thematic groups, including integration of participation with other key, related themes. Some of the recent initiatives include the setting up of thematic groups on community-based rural development, decentralization, and social capital. Membership in these groups cuts across areas of expertise, sectors, and regions enabling cross-learning and leading to active collaboration.

79. Finally, the reorganization of the Bank in 1996-97 has led to increased use of task teams that integrate a variety of skills. Social scientist and participation specialists are increasingly part of Bank teams preparing projects. Additionally, in at least one region the management team's performance will be determined based on the performance of the team as a whole rather than only individuals.

Resident Mission Staff

80. The Bank's focus on decentralization of its staff has resulted in better client relations and more listening. The increased accessibility of Bank staff, combined with increased exposure of staff to the daily challenges of supervising Bank-supported operations, has resulted in increased understanding of and appreciation for participation of all relevant stakeholders.

81. Additionally, in order to guide and facilitate the growing interaction between the Bank and civil society organizations, NGO Specialists⁶ have been appointed in many World Bank resident missions.

Local knowledge of the NGO sector has proven essential in building strong partnerships which contribute to participatory development, poverty reduction and social inclusion. The NGO Specialists have come to represent a considerable proportion of the Bankwide Social Development Family. At the end of FY98, 71 resident missions had staff specifically assigned to work on NGO/civil society issues.

82. The role of the specialists varies greatly between regions. In Africa, Asia, and Latin America, depending significantly on the resident representative's attitude, they are involved in substantive social development work. This has been problematic in some countries where the specialists are not trained social scientists, yet they are expected to be able to function as if they were. In the Eastern Europe and Central Asian countries, in large part due to the sociopolitical context of the region, the NGO specialists act primarily as public relations and outreach officers, and have had reasonable success in that role.

Skills Training

83. Training courses are held regularly in headquarters to introduce task team leaders to social assessment concepts and participatory methods. Training is also taking place at resident missions around the world. Regular workshops are held for Bank social scientists to sharpen their skills. An internal help desk and the Bank's Intranet have facilitated the dissemination of good practice in participation, including sample terms of

reference, best practice case examples, and practitioner contact information. A CD-ROM electronic guidebook on social assessment is being developed for counterparts and consultants in the field.

84. The Bank's Economic Development Institute (EDI), which was created to provide training in economic and social development to government leaders, representatives from the private sector, nongovernmental organizations, and other civil society actors, has continued to contribute to the Bank's growing body of knowledge in the area of participation, partnership, and capacity building. For example, in response to interest expressed both within the Bank and in a number of borrowing countries, EDI has initiated a five-phase program on participatory irrigation management. The overall purpose of this program is to stimulate high-level policy dialogue on participatory irrigation management within the country, leading to policy commitment and programmatic action.

85. Another EDI initiative, the Building Partnerships for Poverty Reduction program, supports capacity building and networking among NGOs in Latin America and aims to increase the participation of citizens, civic organizations, and businesses in the design and implementation of antipoverty policies and programs. Similarly, the Grassroots Management Training and the Banking With The Poor (microfinance institution-building) programs are collaborating with NGOs and government agencies to develop awareness-raising and training programs for microentrepreneurs in management,

financial, and marketing skills in the Africa, Middle East and North Africa, and Latin America and Caribbean Regions, and in India. EDI is also offering social assessment training in client countries.

Procedures and Policies

86. The World Bank has also revisited many of the procedures and policies that have guided its work in the past. Among the changes most relevant to work on participation are Bank efforts to shift the orientation of its project evaluations, simplify and streamline procurement and disbursement procedures and policies, and broaden its disclosure policy.

Evaluation Orientation

87. In its 1997 Annual Report on Operations Evaluation, the Operations and Evaluation Department (OED) recommended a shift toward results-based management (RBM) in the Bank, and away from a "management-by-objectives" strategy. RBM concentrates on results (outcome and impacts) rather than inputs and outputs; is designed to fit decentralized agencies; and is adaptable to changing operating environments. Results-based management is highly relevant to the Bank at this juncture because it fits the new development agenda, which addresses a wide range of stakeholder expectations, emphasizes development effectiveness and accountability, and supports ongoing change in the Bank toward results on the ground, transparency, and participation.

88. Stakeholder participation in Bank evaluations has traditionally been weak.

One of the key recommendations of the 1997 OED report is a broadening of stakeholder participation, the aim of which would be to ensure that stakeholders conduct evaluations collaboratively, develop a common understanding of outcomes, share responsibility for results, and take steps to internalize lessons.

89. To enhance participation in FY98, the Bank has been seeking systematic feedback from stakeholders via Bankwide and country-level surveys, helping borrowers strengthen their own evaluation capacity, and promoting evaluation partnerships with other donors. Further attention is needed to bring stakeholder participation to a satisfactory level in self-evaluation and independent evaluation, and follow-up is required to promote shared understanding and increased capacity at all levels.

Procurement and Disbursement

90. The Bank has implemented procedural changes that are more supportive to primary stakeholder participation. Some of the most fundamental changes are in procurement and disbursement guidelines, allowing for direct contracts with community-based organizations and direct disbursements from special accounts (a project primary account) to community accounts. These guidelines now provide sufficient flexibility to allow projects designers and planners to involve community groups or NGOs in providing, supplying, contracting, or procuring goods, works, and services in Bank-financed activities.

Although the misconception that Bank policies and guidelines prevent economic and efficient community/NGO-based arrangements is still common, many credit agreements now include reference to these special procedures.

Information Disclosure Policy

91. The Bank's information disclosure policy has been a matter of concern to NGOs and civil society in general for a number of years. It is as a result of this dialogue that the Bank instituted policy changes. Specifically, the Board of Executive Directors agreed on a new policy that expands access to Bank information, which came into effect in January 1994. The new policy introduced a "presumption in favor of disclosure"—under which information is to be shared unless there is reason not to. The policy also led to the creation of the Public Information Center at Bank headquarters in Washington, D.C.

92. New elements of the policy included agreement to make the following types of documents available to the public: project information documents for all projects under preparation; staff appraisal reports, unless the government objects; précis by the Operations Evaluation Department; environmental assessments, analyses, and action plans, unless the government objects; final results of economic and sector work; sectoral policy papers; and legal opinions of the General Counsel. All of this information is now available on the web.

93. Subsequently, civil society interest in "problem projects" led to at least two

modifications. First, there was an agreement to make public “factual and technical information” on projects, including preparing a list of such documents. Governments would be asked to share these documents when they are government, rather than World Bank, property. Second, operational policies and Bank procedures are now available to the public. Good practice documents are also shared publicly in most cases, although this is not policy.

94. The increase in information disclosure is particularly relevant to participation. In many countries very little official

information is disclosed. Many civil society organizations now look to the Bank as a key source of information about what is going on in their countries. As a result of demonstrating to governments that an increased information flow leads to better participation and more consensual decisions, some governments are beginning to disclose information that they used to hold as confidential. This trend will also contribute to the fight against corruption. For instance, in one East Asian country the government has agreed to publish in national newspapers all contracts that are signed in relation to World Bank-assisted projects.

6. Conclusions and Emerging Issues

95. It is noteworthy that in 1996 the key messages that emerged from a series of meetings on incentives and disincentives for Bank staff to use participatory approaches echo many of the same messages that were heard during this recent exercise. For instance, in 1996, staff said that:

- Participation is widespread, but thin.
- Managers need to see evidence that will convince them that participation is worth it.
- Shortening timelines conflicts with participatory efforts.
- With budget cuts, participation and other social science skills are being cut, or are only used when Trust Funds can be secured.
- Participation efforts run counter to the Bank's "expert" culture and the emphasis on quick disbursement.

Conclusions

96. Some broad conclusions can be drawn from this review:

- A considerable range of initiatives can be distinguished that share the aims of improving mutual communication between beneficiaries, government implementing agencies, and the Bank and of increasing the influence of a wider range of stakeholders in the planning and implementation of operations.
- A variety of tools and methods have been used to initiate or facilitate participation.
- The scale and purpose of investments, the nature of goods and services to be produced, and the sociopolitical environment all influence the choice of most suitable type and level of participation. It is not possible to generalize on this topic.
- Although increasing in number, participatory approaches are far from being general to the Bank's work.
- The breadth (the number of stakeholder included) and the depth (degree of control stakeholders gain over outcomes) of participation vary considerably between initiatives and regions.

Emerging Issues

97. Issues that are emerging as the Bank moves forward include:

- Given that many of the institutional constraints, such as limited resources and time, will always be present, how can the Bank best use its comparative advantage (its relationship with governments) to create and support the demand for participatory methodologies and approaches? As one Bank staff said: “If the ground is fertile for participation to be taken seriously in a country, the Bank’s participatory projects will be part of the transformation. If the ground is not fertile, individual participatory projects will not be sufficient to tip the balance.” How can the Bank identify and build on existing demand, and create demand where it is lacking?
- Partially as a result of the East Asian crisis, the Bank has learned that development is not limited to economic growth. To be successful and sustainable, development must balance social and economic factors and issues. One Bank staff commented: “We now know that development does not exclusively mean growth. Development includes the development of society and the development of economies.” In light of that, how can participation support the goals of good governance, transparency, and accountability? How can participation help pave the way for more equity, viability, and sustainability?
- It will be imperative to develop convincing evidence to demonstrate the value-added in terms of, for example, reduced risk, improved performance, and increased ownership. This will be the key to convincing governments that participation is an effective development strategy and to convincing Bank management to think of participation as an investment strategy. What are the methodologies and systems for measuring change in process and in institutions? What are alternative approaches to measuring process progress and change? Can economic analysis prove the cost effectiveness and benefits of using participatory and process oriented approaches?
- While increasing the quantity of participation at the appraisal stage has improved the effectiveness of the Bank’s portfolio, it is not a sufficient condition for sustainable development and institutionalization of participatory processes. What can the Bank do to shift focus toward improving the quality of participation, not only at the appraisal stage, but during design, implementation and management of programs?
- Currently many teams are working in different sectors in each region developing new approaches to local level planning and management, local institutional development, and social development, among other issues. This has led to a proliferation of

institutional and capacity building systems by the Bank and local governments. What mechanism can be used to integrate this work across sectors in order to maximize impacts, increase effectiveness and develop a critical mass to influence policy and institutional change?

- How can the Bank work better with partners whose comparative advantage is fostering participation at local levels? How can the Bank strengthen institutional capacity within governments to work on participatory approaches, especially in partnership with NGOs? How can partner organizations use the Bank's leverage at the government level to scale-up participation?
- Given that Bank reviews (OED, QAG) find that borrower participation is a strong predictor of project performance, how far can the Bank move toward more adaptable lending instruments or lines of credit, in which projects can be appraised at regular intervals and institutional capacity can be built on an iterative basis as the project proceeds?
- Given the reality of limited time and money to identify, design, and prepare projects, what are the best methods and tools to use? What partnerships can be developed? How can high quality work be supported and maintained?

Notes

1. See *Toward a Listening Bank: A Review of Best Practice and the Efficacy of Beneficiary Assessment*. 1998. World Bank Social Development Paper 23, Washington, D.C.: World Bank.

2. Taken primarily from D. Narayan and K. Ebbe. 1997. *Design of Social Funds: Participation, Demand Orientation, and Local Organizational Capacity*. World Bank Discussion Paper 375, Washington, D.C.: World Bank.

3. Taken primarily from J. Clark and W. Dorschel. 1998. "Civil Society Participation in World Bank Country Assistance Strategies—Lessons from Experience, FY97-98." Washington, D.C.: World Bank.

4. Taken primarily from C. Robb. Forthcoming. "Can the Poor Influence Policy? Participatory Poverty Assessments and the Challenge of Inclusion." Washington, D.C.: World Bank.

5. World Bank. 1996. *World Bank Participation Sourcebook*. Washington, D.C.: World Bank.

6. The formal name of these positions differs in different regions, reflecting to some degree the changing role of the position. For instance, in the Africa Region they are called "NGO Liaison Officers;" in South Asia they are called "NGO and Social Analysis Specialists;" and in the Latin America and Caribbean Region they are known as "Civil Society and Social Development Specialists."

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