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Folder ID: 1738422

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Series: Shared Records of the Director-General, Operations Evaluation (DGO), and the Director, Operations Evaluation Department (OEDDR)

Dates: 07/16/1996 – 12/24/1996

Fonds: Records of the Office of Operations Evaluation

ISAD Reference Code: WB IBRD/IDA OPE-02-02

Digitized: 03/21/2022

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DGO / OEDDR
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From July 96 To Dec 96

EXTERNAL AFFAIRS 01
Organizations - External
Non Governmental Organizations (NGO)

The World Bank Group
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The World Bank
Washington, D.C. 20433
U.S.A.

ROBERT PICCIOTTO
Director-General
Operations Evaluation

October 28, 1996

Mr. Paul J. Nelson
Visiting Research Scholar
College of Behavioral and Social Sciences
Department of Government and Politics
University of Maryland at College Park
3140 Tydings Hall
College Park, MD 20742-8221

Dear Mr. Nelson:

Thank you very much for your letter. Chris Gibbs and I were hoping to interact with you on the occasion of the recent Bank-NGO meeting—hence the delay in responding. I do agree that the quality of the dialogue between NGOs and the Bank needs improvement. But this will not take place without an effective "trialogue" between Southern NGOs, developing member countries, and the Bank. The issue is central to development effectiveness and requires more efforts on all sides.

The NGO-Bank Committee provides an established forum for discussion, and there are an increasing number of initiatives made by individuals and groups within the Bank and the NGO community that promote participation.

Given my independent status, I cannot represent the Bank in debates with NGOs. However, I appreciate very much the opportunity to discuss issues of mutual interest, especially improved cooperation in evaluation.

Sincerely,



Robert Picciotto
Director-General
Operations Evaluation

bcc: Messrs. John Clark, Francisco Aguirre-Sacasa, Roger Slade, Christopher Gibbs

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: October 25, 1996 06:40pm

TO: Robert Picciotto (ROBERT PICCIOTTO)

FROM: Christopher Gibbs, OEDD1 (CHRISTOPHER GIBBS)

EXT.: 31735

SUBJECT: Response to Paul Nelson's letter.

I apologize for handling slowly the response to Paul Nelson's letter to you. I had hoped to talk with Paul Nelson in person about the letter at the NGO-Bank nittee meeting here in Washington last week, but he did not attend.

I planned to ask Paul what ideas he has on how to make Bank-NGO dialog more effective, but to avoid getting into a long debate about the paper which he sent to you which covers so many issues and allegations. I also wanted to avoid getting into an unproductive, tit-for-tat response on your review of his book (the copy of which is still with me) and his comment on your review, sent to Finance and Development.

I think the main point Paul Nelson makes in his letter about freer dialog is a good one. But his reference to taking the gloves off seems to imply that he believes a good, bare nuckles fight between the Bank and NGOs would do us all good. And I can't agree with that. The NGO community is too diverse and too immature to predict that the outcome would be constructive.

However, my reading of the latest NGO-Bank Committee meeting leaves me a bit concerned that the Committee's dialog is too formal, too general, wide-ranging, and inconclusive: too many complex issues are creeping on to the agenda without old issues being resolved, or at least advanced. But before the level of formality can be lowered, Bank staff have to be comfortable that an invitation to a dialog with NGOs is not an invitation to cross a mine field. And we have some way to go on this. Since Paul Nelson is one of the people who aided and abetted those who sowed the minefield, he has some responsibility for the current situation.

Clearly, the NGO-Bank Committee provides a useful forum for discussion, and there is, apparently, less antagonism and a more constructive atmosphere than there was in earlier years. But as a mechanism, it is not sufficient, and I am not sure what if anything to propose to enhance it.

Please can we discuss early next week?

CC: Francisco Aguirre-Sacasa (FRANCISCO AGUIRRE-SACASA)
CC: ROGER SLADE (ROGER SLADE @A1@WBHQB)
CC: OEDD1 Files (OEDD1 FILES)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: October 23, 1996 03:13pm

TO: ROBERT PICCIOTTO (ROBERT PICCIOTTO@A1@WBWASH)
TO: FRANCISCO AGUIRRE-SACASA (FRANCISCO AGUIRRE-SACASA@A1@WBWASH)

FROM: Roger Slade, OEDD1 (ROGER SLADE@A1@WBHQB)

EXT.: 81293

SUBJECT: NGO Committee

I attach a note on the recent meeting of the Bank/NGO Committee prepared by Chris Gibbs. The note summarizes the major points discussed. Additionally, at the end, a number of helpful process points are made which you might consider passing on to Myrna, as Chair of the Committee.

CC: CHRISTOPHER GIBBS (CHRISTOPHER GIBBS@A1@WBWASH)
CC: PABLO GUERRERO (PABLO GUERRERO@A1@WBWASH)
CC: ULRICH THUMM (ULRICH THUMM@A1@WBWASH)
CC: YVES ALBOUY (YVES ALBOUY@A1@WBWASH)
CC: MANUEL PENALVER (MANUEL PENALVER@A1@WBWASH)
CC: RACHEL WEAVING (RACHEL WEAVING@A1@WBWASH)
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The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: October 23, 1996 12:36pm EST

TO: ROGER SLADE (ROGER SLADE@A1@WBHQB)

FROM: Christopher Gibbs, OEDD1 (CHRISTOPHER GIBBS@A1@WBWASH)

EXT.: 31735

SUBJECT: NGO-Bank Committee, October 15-18, 1996

What follows are highlights of the meeting of the NGO-Bank Committee, held October 15-17, 1996 in Washington. Several sessions of the meeting were ended by Thomas Kuby, Claudia Fumo, and myself from OED.

1. OED's NGO Study. OED provided an update on the NGO study and responded to questions about the study design. Overall, awareness of the study by the NGO group is high and a number of useful comments have been received on the design paper, although fewer comments than we had hoped for. OED will share ideas for next steps with the consultative group established by the Committee to work with OED. These steps include choice of criteria for case study selection and the identification of southern NGOs able to do field work to assess beneficiary views on project processes and outcomes, and willing to work with OED. The response to OED's presentation was positive. Several NGO members said they were comfortable with what OED was doing.

2. Participation. The NGO members of the Committee proposed a joint initiative with the Bank to monitor implementation of Bank policy on participation through a sample of active projects and policy areas. Discussion showed that a number of other initiatives to monitor participation have been proposed or are already underway. These include monitoring the Presidential flagship projects (which are due to receive special attention to participation), ENVSP's initiative to support Bank task managers on participatory M&E, and EDI's proposal to support and assess participatory learning processes in country programming work. Thomas Kuby, who attended this session, recommends that OED take stock carefully of these and other initiatives as it plans its own study on participation, to avoid duplication and enhance complementarity.

3. Civil Society Fund. The NGOs tabled a proposal for a fund to support NGO capacity building, project piloting and innovation. No decisions were taken. The unspoken issue here - that needs to be aired - is the potential loss of independence by NGOs that accept Bank funds, should Bank funds become available.

4. NGO Capacity Building. The NGOs also tabled a discussion paper on NGO capacity building, unrelated to the civil society fund. The proposal calls for an interagency group that includes NGOs and the Bank to reflect on, and coordinate, activities supporting NGO capacity building.

5. State Reform and Civil Society. There was a wide-ranging presentation/discussion on state reform and civil society that included a briefing on the 1997 WDR by Ajay Chhibber and Alison Evans. The discussion

highlighted the gap between the Bank and NGOs on a hard-to-grasp subject. While the Bank tried to make a complex subject manageable by defining it in a particular way, NGOs defined the subject even more broadly and cited specific cases of problems in civil society, making focused discussion difficult.

6. Public information. There was a lively discussion on disclosure and public information. The head of the Bank's PIC acknowledged that too many resident missions are unaware of the public disclosure policy and lack materials to disseminate. It is Bank policy that dissemination of Bank documents is a resident mission responsibility in developing member countries. The NGOs asked for a delivery system that got documents and information to field offices faster, and for more frequent translation of Bank reports - or at least report summaries - into local languages, more often.

7. Participation in the CAS process. There is a problem here. NGOs are asking for greater openness in preparation of the CAS, and are being supported by statements made by President Wolfensohn (at this year's annual meetings). But NGOs see the responses of Bank senior management as unforthcoming. The discussion added nothing to a topic that was raised by the NGOs last year, as one of their highest priorities, at the NGO meeting with the Bank's (newly-installed) President. Evidence of contradictory statements from high levels in the Bank, and lack of real progress on participation in the CAS process, could trip the Bank up in its relationship with NGOs.

8. NGO Law Handbook. This promoted an animated discussion. The Bank has supported preparation of model legislation for NGOs. The aim is to counteract repressive laws, limit arbitrariness in treatment of NGOs, legitimize NGO status and rights, and help to create an enabling environment for NGO action. Most of the NGOs that spoke on this subject, however, actively opposed the Bank's action because NGOs believed it provided government with tools to control NGOs. On a point of detail, it was noted that the Bank's model law promotes the use of fiscal incentives for the non-profit sector, while IMF policy opposes them.

9. Gender issues. An update on gender issues requested by the NGOs provided nothing new or specific. A basic NGO concern is how the voice of grassroots' women is heard and reflected in Bank work.

10. Social Development Task Force. NGOs follow this subject closely. The update provided a status report and outlined task force conclusions going to the President. In discussion, the NGOs tend to speak as if social and economic development are two complementary things, while the Bank speaks more as if social development is subordinate to economic development. The consequence is poor communication. The southern NGOs highlighted the fact that they deal often with social development agencies, but rarely with the ministry of finance. They perceive the Bank to do the reverse, with the result that social development suffers as the Bank tries to put economic fundamentals right. The NGOs asked what incentives were being provided to Bank staff to promote social development.

11. Bank-NGO Structural Adjustment Review. The review will assess SAPs in 10 countries. The review is estimated to cost \$2.5 million (funding is still not in place) and to involve a network of 250 NGOs, over period of 18 months. It appears to be on track. The review aims to learn about the impacts of adjustment from the perspectives of a wide array of citizen groups, and to set the stage for more participatory economic-policy-making processes.

12. Overall points. The meeting left the following strong impressions:

- as in 1995, the meeting agenda is just too full and time management is weak
- some agenda items are very ambitious, i.e. the NGOs are taking aim at very large and hard-to-pin-down topics, such as the role of the state and civil society: one wonders how productive this can be when time is short
- if they are not specifically on the agenda, Bank members of the Committee are rarely in attendance
- the meeting format is formal (the result of size of the Committee and the configuration of the room): the NGOs propose and Bank spokespersons dispose, and there is less dialog than seems appropriate
- the quality of Bank presentations is variable, ranging from well prepared and informative (NGO law) to quite weak (gender) and uninformative (participation in the CAS process)
- too many Bank responses are overly general, leaving NGOs feeling unsatisfied
- the style of Bank presentations may make us ineffective, i.e. NGOs approach the meetings as skeptics, not knowing how to validate what they hear, and we make only small efforts to appear credible
- continuity seems to be weak: progress since the last meeting is not highlighted.

CC: OEDD1 Files

(OEDD1 FILES@A1@WBWASH)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: October 22, 1996 12:21pm

TO: See Distribution Below

FROM: Tariq Husain, HRGLL (TARIQ HUSAIN@A1@WBHQB)

EXT.: 33907

Sent By: Starr Pearson-Floyd

SUBJECT: Meeting with NGO participants in Pakistan

This meeting was originally scheduled for October 24th. Many of our colleagues have informed me that they will not return from mission in time to attend on October 24th or November 7th. Since this is an important opportunity and exchange of information, the meeting is rescheduled for:

Monday, November 11th from 3pm to 5pm in JB1-080.

Please make every effort to attend this forum.

See you there.

Tariq

Attachment: Original Invitation

DISTRIBUTION:

TO: KABIR AHMED	(KABIR AHMED@A1@WBWASH)
TO: ATAMAN AKSOY	(ATAMAN AKSOY@A1@WBWASH)
TO: AMIR AL-KHAFAJI	(AMIR AL-KHAFAJI@A1@WBWASH)
TO: YVES ALBOUY	(YVES ALBOUY@A1@WBWASH)
TO: Ridwan Ali	(RIDWAN ALI@A1@WBHQB)
TO: RANDOLPH A. ANDERSEN	(RANDOLPH A. ANDERSEN@A1@WBWASH)
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TO: HANS J. APITZ	(HANS J. APITZ@A1@WBWASH)
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TO: James Bond	(JAMES BOND@A1@WBHQB)
TO: John Briscoe	(JOHN BRISCOE@A1@WBHQB)
TO: JONATHAN BROWN	(JONATHAN BROWN@A1@WBWASH)
TO: Barbara Bruns	(BARBARA BRUNS@A1@WBHQB)
TO: Sven Burmester	(SVEN BURMESTER@A1@WBHQB)

A B L - I N - 1 N O T E

DATE: 11-Oct-1996 09:09am

TO: Robert Picciotto

(ROBERT PICCIOTTO)

TO: Francisco Aguirre-Sacasa

(FRANCISCO AGUIRRE-SACASA)

FROM: Yves Albouy, OEDD3

(YVES ALBOUY)

EXT.: 31690

SUBJECT: Dams and Strident NGOs

In advance of our meeting From John Briscoe, a recent example on how a meeting organised by IRN turned against them by the locals.

A L L - I N - 1 N O T E

DATE: 10-Oct-1996 05:36pm EST

TO: Andres Liebenthal (ANDRES LIEBENTHAL@A1@WBHQB)

FROM: John Briscoe, ENVDR (JOHN BRISCOE@A1@WBHQB)

EXT.: 35557

SUBJECT: RE: Large dams workshop

Andres:

I am up in Boston and not back until OCT 28. A quick reply. I am highly supportive of this effort. This is a great opportunity. But I think we have to think very carefully about what we want from it and how to get to that. I am attaching, for your information and Yve's some related correspondence on this. A facetious thought -- how about having group of concerned wise developing country leaders (Asmal, Goldemberg,...?) convene the meeting?

John

CC: YVES ALBOUY (YVES ALBOUY@A1@WBWASH)

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: September 10, 1996 08:41am EST

TO: Ismail Serageldin (ISMAIL SERAGELDIN@A1@WBHQB)
TO: John Briscoe (JOHN BRISCOE@A1@WBHQB)

FROM: Andrew Steer, ENVDR (ANDREW STEER@A1@WBHQB)

EXT.: 33299

Sent By: Nimalka Moonesinghe

SUBJECT: Lesotho Highlands, NGOs and Consultations

Ismail, John,

Attached are some very interesting and encouraging notes on the recent major consultation on the Lesotho project. The whole event illustrates a very important more general change underway in which, as such consultations become more professional and representative, the international advocacy NGOs, such as IRN, become marginalized.

Congratulations to John Roome and Dan Aronson.

CC: Jane Armitage (JANE ARMITAGE@A1@WBHQB)
CC: Peter Stephens (PETER STEPHENS@A1@WBHQB)
CC: Michael Cernea (MICHAEL CERNEA@A1@WBHQB)
CC: Clare Fleming (CLARE FLEMING@A1@WBHQB)
CC: Stephen Lintner (STEPHEN LINTNER@A1@WBHQB)
CC: Dan Aronson (DAN ARONSON@A1@WBHQB)
CC: JOHN ROOME (JOHN ROOME@A1@WBWASH)
CC: Gloria Davis - ENVSP (GLORIA DAVIS@A1@WBHQB)
CC: STEPHAN KLASSEN (STEPHAN KLASSEN@A1@JOBURG)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 4, 1996 06:38pm EST

TO: Gloria Davis - ENVSP (GLORIA DAVIS@A1@WBHQB)
TO: Andrew Steer (ANDREW STEER@A1@WBHQB)

FROM: Dan Aronson, ENVSP (DAN ARONSON@A1@WBHQB)

EXT.: 35778

SUBJECT: Lesotho Project Workshop: Johannesburg

Attached is Stephan Klasen's summary of the "GEM" workshop on the Lesotho Highlands Water Project held last Thursday and Friday in Johannesburg. His summary section entitled "in a nutshell" describes well the tone and setting of the two-day session.

As he mentions, the Bank's intervention with the organizers turned this from a workshop designed to grill the Bank on its involvement into a major dialogue among many powerful stakeholders. It included everyone from villagers with complaints about construction, to irrigated farmers having their water re-costed under demand management, to the distinguished Minister of Water Resources for South Africa. While the international advocacy NGOs that funded and attended the conference were marginalized by the sheer professionalism of the bodies involved in the project, what happened instead was the first major internal discussion between the two countries involved about their very scarce water supply and what to do with it. This "regionalization" of the debate was valuable for all of us, including the Bank as a financier, and is a route that has much to offer to other projects like Pangué in Chile, where an international internet debate rages while little open discussion goes on in country.

Let me add a bit to what Stephan has said about Kader Asmal's speech -- Asmal (always called Professor Asmal) is an erudite, inspired and inspiring man who is an intellectual center in the SAfr government. He set his support of the project into his view of the history and the new constitution of South Africa: On the one hand there were 16 million people without a source of clean water, 21 million without sanitation, and it had been deliberate government practice in the old regime that dumped three and a half million black people into reserves where there was virtually no water supply -- the last ones in KwaZulu-Natal to make room for dam. Therefore the constitution had written into its Bill of Human Rights the provision of clean water for all, and the right to an environment not harmful to people in the present or the future. So there was absolutely no doubt, he continued, that the new South Africa was going to be careful about forced relocation, and was going to get its water resource management right! He saw resettlement not just as a question of compensation but as one of reparations, of needing to realize that "a single family removed

is a cause for concern." He concluded this part of his speech by saying that the new government could not and would not be party to any project that betrayed the country's own history of suffering.

He then, in a brilliant stroke since IRN was in the audience, analyzed the Lesotho project, as Stephan says, using an International Rivers Network document (12 Things the Dam-Builders Won't Tell You, or some such title). He went through five criteria set out by IRN, and showed that the Lesotho project met the most stringent criticisms (valid economic rationale, socially and environmentally justifiable, etc.). He invited the critics to keep contesting the ground, but at the same time to realize themselves that South African people needed the capacity for development, which they couldn't have without water. To the contrary, he refused to be held to ransom for zero development in the name of environmental protection.

All this was in great contrast to the mindless anti-dam presentation given by Lori Pottinger of IRN the next day. Despite the concession she made about the value of the Bank's participation in the project, as Stephan notes, her basic position was, as she said, that dams are outdated technology being fobbed onto the rest of the unsuspecting world by international financial institutions and engineers. Her comparison was with pesticide shipments to the Third World after they are banned in the west! As to the Lesotho project, she refused to define or qualify what IRN's position was besides postponement of any further phase until ALL problems and complaints being encountered in the first phase are resolved. (Actually this was a position that IRN took over from EDF, which first articulated it -- until two weeks ago, IRN had not visited the project, despite the fact that they have an active campaign against it!)

For more on the conference, read on.....

CC: Michael Cernea	(MICHAEL CERNEA@A1@WBHQB)
CC: Warren Van Wicklin	(WARREN VAN WICKLIN@A1@WBHQB)
CC: JOHN ROOME	(JOHN ROOME@A1@WBWASH)
CC: STEPHAN KLASEN	(STEPHAN KLASEN@A1@JOBURG)
CC: Remote Addressee	(6=Sequeira@1=US@2=MCI@3=IFC@5=IFC@4=CTEEU@7=Deb
CC: John D. Clark	(JOHN D. CLARK@A1@WBHQB)
CC: INSTITUTIONAL ISC FILES	(INSTITUTIONAL ISC FILES@A1@WBWASH)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 1, 1996 11:59am EST

TO: See Distribution Below

FROM: STEPHAN KLASSEN, AF1ZA (STEPHAN KLASSEN@A1@JOBURG)

EXT.: 567-125

SUBJECT: Successful Workshop on LHWP

Just a brief note (I assume John will give a formal briefing) on the recent all stakeholder workshop on the Lesotho Highland Water Project in Johannesburg.

In a Nutshell

Despite the fact that at least some of the workshop organisers and participants wanted to use this workshop to start another campaign against LHWP and the Bank's role in it, the workshop quickly shifted from a critique of the project to a discussion on how to make the remaining outstanding social and environmental issues work for those affected by the project. No one from Lesotho or South Africa questioned the project as such (including phase 1B), LHDA appeared as an organisation that has made tremendous progress in recent months and as an organisation committed to resolve all outstanding issues, and the critical issues raised by residents of affected communities were fairly specific grievances rather than wholesale disapproval.

Regarding the Bank's role, there was not once any criticism of our involvement of the project. Instead, representatives from LHDA and the Lesotho government expressed their deep gratitude for our involvement and support to ensure that this project is being implemented to the highest accepted international standards (particularly regarding resettlement, compensation, and social development) and that we are supporting them in their sometimes difficult dealings with almighty South Africa. Finally, believe it or not, a representative from the International Rivers Network (IRN), said that they are "extremely grateful for the World Bank to be involved in this project."

While LHDA deserves full credit from having turned around this project in a major way, I think John Roome deserves a lot of credit for having initiated this change through strict conditions and, at the same time, well-coordinated support to implement the conditions to bring the project to acceptable international standards. Moreover, engaging international NGO's critical of the project in an open dialogue has really paid off by turning (at least some of) them from hostile

adversaries to constructive partners. In front of an audience of international and local NGOs, this project did us proud !

Some details:

1) The Setting

The workshop was organised by the Group for Environmental Monitoring (GEM), a South Africa environmental NGO that has been listed by IRN as one of the NGOs critical of the project (and its head, Dr David Fig, was quoted in the Wall Street Journal article on the World Bank in South Africa as being highly critical of the World Bank). It was funded by Christian Aid and Oxfam Australia. The folder for the conference only included materials from IRN, EDF, Highlands Church Action Group, and other critical views on the project (no materials from LHDA, the World Bank or the South Africans despite offers, on our part, to provide such materials)

The initial program seemed to reveal somewhat of an agenda: Instead of starting off the workshop with LHDA and the South Africans describing the project, the workshop was supposed to start with a discussion of the World Bank role in the project to be led by a representative from the World Bank and the Environmental Defense Fund. LHDA (or anyone else from Lesotho with the exception of the High Commissioner who was supposed to close the project) was only invited to a panel discussion at the end.

After some pressure from LHDA and us, the program was changed to begin the conference with LHDA presenting the project record, followed by the South African views, and only then a discussion of our role in the project (also, EDF ended up not coming but just sent a fairly weak statement instead). This change turned out to be critical !

2) The participants

Literally every stakeholder (with the exceptions noted below) was present:

- a) LHDA showed up in force led by CE Morumu, Putsane, Cheeks, and another 6 people
- b) South Africa was represented by Minister Asmal who gave a stirring defense of the project in an address closing the first day. In addition, a delegation from JPTC, and Department of Water Affairs (DWAF), Rand Water Board (as a representative of the ultimate beneficiary of the water), and some of the consultants involved in the Orange River Replanning Study and the Vaal Augmentation Planning Study)
- c) Lesotho Government was represented by members of the

Ministry of Natural Resources and some principal chiefs (no one else from government came which was a bit of a pity, but I don't think they were invited !)

d) Academics who research water issues in South Africa focusing particularly on downstream impacts

e) Lesotho NGOs were represented by the Lesotho Council of NGOs, Transformation Resource Centre, and the Highlands Church Action Group.

f) Eight members of affected communities from all project areas (1A Katse, 1B Mohale, 1A Muela) were present. It should be noted that they had been hand-picked by HCAG and IRN for the specific grievances they had with the project and were not elected or appointed representatives of the communities. To ensure their active participation, the workshop was bi-lingual with every statement being made in English and Sesotho.

g) International NGOs were there in the form of Robert Archer of Christian Aid and Lorri Pottinger of the IRN.

h) Of the funders, the DBSA and the World Bank were represented.

i) The two groups that were not represented were communities downstream of the Orange River (with GEM had invited but they had not come), and communities in the Gauteng area that are benefiting from the water.

While hard to believe, it was indeed the first workshop (in the 10 years the project has been going) that brought together so many stakeholders of this project. While subsets of the participants had met and interacted on many occasions before, this was indeed the first workshop having just about everyone in one room.

3) The first day

The first day started off with presentations from LHDA on various aspects of the project, focusing on the social and environmental aspects. It acknowledge past problems, highlighted recent progress and the vastly improved processes adopted for Phase 1B. LHDA also came with a glossy Q+A brochure which is based on our original Q+A but vastly expanded and adapted.

The discussion focussed on a number of specific grievances raised by community members which led to lengthy exchanges on rather specific points about lack of communication, confusion, delayed responses by LHDA, and misunderstandings. Clearly, LHDA is still not communicating well enough with the communities as shown but the many unresolved (but easily

resolvable!) issues raised by community members.

The next set of presentations came from the South Africans who gave explained their interest in the project, their future plans, their views on some of the environmental issues both within Lesotho and South Africa, and their role in the project. In general, they made a convincing case for the need of the project and showed good faith in ensuring adequate implementation. The DBSA also presented their role in the project. Surprisingly and much to the dismay of LHDA, Michael Potts gave the impression that DBSA was of the opinion that the project was a disaster, but could easily be fixed if everyone went back to the drawing board. Later, Mike Eddington, Potts's superior, distanced himself from this negative interpretation.

John Roome gave a presentation on the role of the World Bank in the project. It emphasised that our funding was minor, that we did not create this project or made it happen, but are trying to add value to it knowing that it would happen without us. He gave a balanced account of the strengths and weaknesses emphasising the big and generally positive picture of the project, recent improvements, while acknowledging the need to resolve outstanding issues. There was no discussion since the Minister had arrived to give his presentation.

The Minister gave a long and (as always) stirring address in defense of the project, affirming the commitment South Africa had to ensure that affected communities were properly compensated, ensuring that Lesotho would benefit while emphasising that South Africa really needed this project. He acknowledged the constructive criticism of Robert Archer from Christian Aid and then used 5 reasons IRN has put forth against dams to show that none applied in the case of LHWP.

A late evening session led to a further lengthy exchange between LHDA and affected communities on very specific grievances.

4) The Second Day

The second day started off with a set of presentations from HCAG and the three presentations from affected communities. They emphasised considerable problems of lack of communication and responsiveness of LHDA, some noted some recent improvements, but all were still concerned that their grievances would be dealt with. Noteworthy was that the issue of land-for-land came up several times as the preferred compensation option for phase 1B (in contrast with the views in the communities at large where about 25% want land for land only). Also, the question of what happens after 15 years of grain compensation was raised, which is one issue that LHDA has yet to resolve fully.

Robert Archer, Christian Aid, then gave a presentation that drastically changed the tone of the following proceedings. While acknowledging that LHDA has made a much greater attempt to improve progress on the ground and improve communication with, and participation of affected communities, he explained that the grievances and misunderstandings raised by community members showed that there was still a communication and participation gap. Instead of assigning blame, he urged all members of the workshop to focus on developing practical suggestions on bridging these gaps, emphasising that this requires not only more (and possibly different) efforts by LHDA, but capacity-building and consensus-building at the community level (in a situation where communities were poorly organised and had little structures to work with) and improved strength of NGOs to mediate some of the issues. This suggestion was taken up and a range of constructive suggestions (not described in detail here) were made to help LHDA and the communities find each other better. During this session (if I recall correctly), Cheeks from LHDA thanked the World Bank specifically for our constructive involvement in supporting the project (while rejecting some of the criticism by DBSA of the project) and in this session, IRN indicated their gratefulness for World Bank involvement in the project.

The next session focused on environmental impacts. Lorri Pottinger gave a presentation why IRN is opposed to large dams and mentioned why this project fitted the category of dams IRN is opposing. Prof Seaman from Northern Cape gave a technical presentation on downstream impacts of the project. He emphasised that the Orange River is already dammed several times and thus a highly managed river and that the focus should be on how to manage the river better (rather than trying to reverse the fact that it is a managed river even without LHWP). In the discussion, Lorri Pottinger was severely criticised for an ideological stance against dams regardless of the circumstances, particularly in an area where highly irregular and unevenly distributed surface water is the main source of water as in Southern Africa. She was unwilling to define the conditions under which IRN would support a dam, for which she was again under attack. She was also challenged on her specific criticisms of the project, and had to admit that she lacked the expertise or the first-hand information on most of the points she raised; in fact, she pointed to World Bank supervision reports as her most frequent source for her criticisms! While demand management was emphasised by her as the alternative to LHWP, it was pointed out that while important and currently being undertaken, it will only delay not obviate the need for further water projects in the future (and will not have sufficient effect to delay phase 1B).

The afternoon session was led by a slick presentation from Rand Water Board on the use of LHWP water and their efforts at water conservation and demand management. There was some

discussion on demand management issues and problems.

A final session focused on practical suggestions to improve the project with particular focus of improved communication and interaction between LHDA and affected communities. Many practical suggestions were made in this regard and LHDA promised to take up these suggestions at a follow-up workshop to be arranged before the end of September.

During closing statements by the panelists, Croucamp from DWAF reiterated his appreciation for constructive criticism from Robert Archer while giving a strong rebuke to ill-informed criticism by some international NGOs who did not consult with the project authorities and made sweeping statements to mobilise global campaigns against the project. As a consequence, the very embattled Lorri Pottinger from IRN declined to make a statement which was regretted by several participants. While individually valid, it was recognised by many (including myself) that the cumulative attacks on IRN during this workshop might have been excessive.

Some of the key outcomes of the workshop are:

- 1) LHDA came across as an organisation that is concerned with addressing all remaining issues on the social and environmental front. It is hoped that some of the practical suggestions made at the workshop will aid in the rectification of outstanding issues.
- 2) The project was strongly defended by both South African as well as Lesotho authorities. In fact, this united front might help ease some of the adversarial relations persisting in their usual interactions.
- 3) Everyone from Lesotho saw the project as an opportunity for Lesotho. While there are clearly issues that still need to be addressed, everyone seems to believe it possible that the opportunities the project offers can be realised.
- 4) The international NGOs were perceived by many to be rather marginal to the project debates, esp. compared with the roles played by affected communities, project authorities, and Lesotho NGOs. In particular, it became clear that they lack the expertise and day-to-day interaction with all parties to make a continuing constructive input; instead, their strength lies in their ability to make general constructive suggestions and possibly assist local NGOs and communities in developing capacity to interact meaningfully with the project authorities. Robert Archer consequently suggested a capacity-building fund (to which Christian Aid might contribute) to help develop capacity at the level of NGOs and communities.
- 5) The World Bank was also not seen as a central player in

promoting this project. Instead, it was seen as an agency concerned about implementation to ensure that Lesotho benefits, that affected communities are indeed better off as a result of the project, and that the project meets accepted international standards. Given that several South African NGO's critical of the Bank attended the workshop, I believe that this workshop not only improved our image relating to LHWP but also our standing in South Africa.

Stephan Klasen.

DISTRIBUTION:

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The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 11, 1996 02:31pm EST

TO: John Briscoe (JOHN BRISCOE@A1@WBHQB)

FROM: Ismail Serageldin, ESDVP (ISMAIL SERAGELDIN@A1@WBHQB)

EXT.: 34502

SUBJECT: RE: Lesotho Highlands, NGOs and Consultations

Good stuff. Lets discuss at some time. Thanks.

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 10, 1996 10:57am EST

TO: Andrew Steer (ANDREW STEER@A1@WBHQB)

FROM: John Briscoe, ENVDR (JOHN BRISCOE@A1@WBHQB)

EXT.: 35557

SUBJECT: RE: Lesotho Highlands, NGOs and Consultations

Andrew (and Dan and Stephan and John Roome) :

Many thanks for the information, on which a couple of comments.

First, I fully endorse Andrew's interpretation and would only add that a key (as the attached ems show) is that this works when we have progressive borrowers in the driver's seat and us playing a supportive role.

Second, what do we do to build on this? Let me explain. For Water Week (on which more anon) this year I had floated the idea of a discussion on large dams. The response from a number of operational staff was revealing -- they felt that this was a lost cause, that many in Bank management just wanted it to go away and that discussion by staff wouldn't serve much purpose.

Third and related, I have discussed with several people a way in which we might get a reasoned institutional position on this issue. Some have felt that there should be a Bank policy paper, others that the OED review "will do it". My own sense is that we need to approach it differently, and that the Lesotho example shows the way. The essence of this would be to get an independent group, HEADED BY PROMINENT, PROGRESSIVE, INFORMED LEADERS FROM DEVELOPING COUNTRIES to work out a "position from developing countries" on large dams, including implications for lending agencies. Two leaders of such an effort come to mind, primarily because they have publicly articulated their positions. Minister Asmal is one, the second is Jose Goldemberg (ex-Rector of the University of Sao Paulo, ex Minister of Education and Environment etc etc in Brazil). Ismail, perhaps this is something we should consider via the GWP?

Fourth and finally, for Water Week this year we have agreed that we will be getting two keynote speakers. The first will be the Director of Water Resources for the state of Victoria in Australia, who will describe the most thorough-going modernization of the water sector (including resource management, and modernization of irrigation and urban water supply) taking place in the world. He will be invited to talk "big picture" (history, political economy etc.) in the keynote, and then to inject specifics into specific technical sessions that will

follow. The second keynote will, we hope, be Kader Asmal, who will be asked to essentially chart the same territory, but this time from the point of view of the South.

John

CC: Ismail Serageldin	(ISMAIL SERAGELDIN@A1@WBHQB)
CC: Jane Armitage	(JANE ARMITAGE@A1@WBHQB)
CC: Peter Stephens	(PETER STEPHENS@A1@WBHQB)
CC: Michael Cernea	(MICHAEL CERNEA@A1@WBHQB)
CC: Clare Fleming	(CLARE FLEMING@A1@WBHQB)
CC: Stephen Lintner	(STEPHEN LINTNER@A1@WBHQB)
CC: Dan Aronson	(DAN ARONSON@A1@WBHQB)
CC: JOHN ROOME	(JOHN ROOME@A1@WBWASH)
CC: Gloria Davis - ENVSP	(GLORIA DAVIS@A1@WBHQB)
CC: STEPHAN KLASEN	(STEPHAN KLASEN@A1@JOBURG)

A L L - I N - 1 N O T E

DATE: 11-Oct-1996 09:00am

TO: ROBERT PICCIOTTO

(ROBERT PICCIOTTO@A1@WBWASH)

FROM: Andres Liebenthal, OEDD3

(ANDRES LIEBENTHAL@A1@WEHQB)

EXT.: 82507

SUBJECT: FYI re our meeting today at 10am

A L L - I N - 1 N O T E

DATE: 08-Oct-1996 10:40am EST

TO: FRANCISCO AGUIRRE-SACASA (FRANCISCO AGUIRRE-SACASA@A1@WBWASH)
TO: YVES ALBOUY (YVES ALBOUY@A1@WBWASH)

FROM: Andres Liebenthal, OEDD3 (ANDRES LIEBENTHAL@A1@WBHQB)

EXT.: 82507

SUBJECT: Large dams workshop - update

Francisco, Yves:

As background for our meeting on Thursday @ 10am, I have revised and updated the attached proposal based on comments and suggestions I received from Bob & Chris Gibbs (OED), A. Steer, R. Goodland, K. Newcombe, R. Ackermann, D. Aronson (ENV), W. Stephenson, M. Riddle, R. Diwan (IFC). I am still expecting some feedback on our proposal from ASTEN, LATEN, EGY, the Bank/NGO Steering Committee (through N. Siddiqi (PSP) and J. Covey), and from IUCN (S. Hajost, A. Steiner), whom I expect to see late October, after they return from their big meeting in Montreal.

PROPOSED IUCN/WORLD BANK WORKSHOP ON LARGE DAMS

Background:

Should the World Bank continue to support large dams? OED's draft Phase I report summarizes the results of a desk review of 50 large dams financed and completed by the Bank. The findings indicate that, based on current standards and economic conditions, most of the projects in the review have had acceptable or potentially acceptable outcomes, in that adverse impacts could have been mitigated without jeopardizing the economic justification of the dam. The outcome was rated unacceptable for 13 of the dams, because of large adverse environmental and social impacts, or an economic rate of return well below 10%. On that basis, the Bank should continue to support large dams provided that (i) the project complies strictly with Bank guidelines, and (ii) these guidelines continue to be refined as appropriate on the basis of continuous feedback from experience.

Discussing the Phase I study, the Committee on Development Effectiveness (CODE) of the Bank's Board of Executive Directors found the results encouraging, but noted that dams will continue to be built, with or without the Bank's involvement. There was therefore a need for the Bank to influence future large dam projects so that they are planned, built and operated in a manner consistent with the objective of sustainable development, taking into account that a large share will be developed by the private sector.

The CODE urged OED to proceed with Phase II of the study, with the objective of carrying out additional impact assessments as needed to

draw the appropriate lessons from the experience, highlight good practices, and provide a basis for the refinement of the Bank's guidelines. Phase II would be part of an overall corporate strategy of facilitating the adoption of generally accepted standards related to the design, construction, operation and financing of large dams. The CODE, and Bank management, also requested OED to ensure that Phase II reflects the views of civil society, including institutions and private investors, as well as the views of nongovernmental organizations (NGOs).

The Workshop:

The main objective of the proposed workshop is to establish a partnership with a representative group of stakeholders under the aegis of the IUCN to (in the short term) review the Phase I report and develop plans for Phase II and (in the medium term) carry out Phase II and disseminate the results.

IUCN and the Bank would sponsor a roundtable discussion involving about 25-30 handpicked individuals knowledgeable about the issues and able to reflect the views of governments, the private sector, the civil society and the academy. The workshop will require two full days. It will be held at IUCN's HQ near Geneva; or at the World Bank's headquarters. The timing should be in the first quarter of 1997. Mr Maurice Strong would chair the meeting.

The agenda would cover the following main topics:

- a. review of global trends affecting the economic, social and environmental justification of large dams.
- b. discussion of the main conclusions of the Phase I Report and of the underlying analysis in relation to the experience of other countries and agencies.
- c. review the scope, objectives, financing and organization of a Phase II impact evaluation study to improve, refine and update the diagnostic and lessons arising out of Phase 1.
- d. explore the need to refine and disseminate generally accepted standards for planning, building, operating and financing large dams.

Participants would drawn as follows (to be revised/trimmed) :

Private Sector

Harza Eng.-Chicago (Jan Veltrop- ex ICOLD head)?
Business Council for Sustainable Development-Geneva?
Nam Theum Electricity Corp.-Laos (Transfield- Australia, EDF-France)
Snowy Mountain Eng.-Australia (inv.in Nepal?)
Acres-Canada (Martin ter Woort-Env. Head(Toronto)?)
Coyne et Bellier-Paris (Jean-Pierre Chabal (Head, Env. Dept.)
Agra Earth and Environmental-Calgary (Gordon Rozon-VP Human Env.)
Investment Bank rep?

Civil Society (I am consulting the NGO Steering Committee on this)

Three local NGOs

Three international NGOs

drawn from e.g.

Arch Vahini (Narmada) rep.

Lesotho Highlands (C.Mochedebele-Joint Perm. Tech. Comm?)

Natural Resources Defense Council-Washington (Steve Parcels?)

International Rivers Network-Berkeley (Phil White?)

Inst. for Inter. Env. & Dev.-London (Richard Sandbrook?)

Friends of the Earth-Paris (Jim Barnes?)

National Wildlife Federation-Washington (Barbara Bramble?)

Berne Declaration-Switzerland (Peter Bosshard?)

Public Agencies

Two Developed Countries\

Four Developing Countries

drawn from e.g.

Bureau of Reclamation-USA (Daniel Beard - ex head?)

Tennessee Valley Authority-USA?

Canada (Hydro Quebec, Ont. Hydro, BC)?

Norway Water Resources and Energy Administration

Electricite de France (Jacques Delcambre?)

ENEL-Italy (Massimo Cadeddu?)

Electric Power Dev. Corp-Japan?

Pakistan-Ghazi Baroda rep. (WAPDA - Kirmani?)

Colombia-ISA rep

Ghana-Volta River Authority (E.A.K.Kalitsi?)

Russia ??

Turkey ??

Mekong Committee?

Thailand (EGAT?)

Indonesia (Asahan)?

Philippines (BOT rep)?

Chile (ENDESA -Pangue)?

Brazil (ELETROBRAS, CVRD)?

Experts

Three water resources and dam experts

e.g.

Peter Rogers, Harvard (env.econ)

Thayer Scudder, USC (soc. anthro)

Tony Dorcey, UBrColumbia (planning, disp. resolution)

E. Razvan, Delft Inst of Tech. (Neth.)

Tentative Budget

Base Case: a 2-day Roundtable with 30 participants at IUCN HQ in Geneva

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Subsistence \$305/night x 3 days x 30 participants = 27K
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The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: October 10, 1996 11:09am

TO: Robert Picciotto (ROBERT PICCIOTTO)

FROM: Yves Albouy, OEDD3 (YVES ALBOUY)

EXT.: 31690

SUBJECT: Large dams workshop

Bob,

re your EM of today, we were supposed to meet with Francisco today but our meeting was postponed. The attached EM contains a list of the people consulted. In addition, we will talk again to John Briscoe (who invited us to report on the study during the Water Week in December).

We assume that the choice of M. Strong as chairman and IUCN as convener (against a fee) are no longer open questions; but, we need to come to closure on a number of points, interalia:

- venue (many see the Bank premises as cost effective but sending the wrong signal)
- date and budget (some in IFC see the workshop in March and worth \$200,000 of the Bank money)
- participant NGOs (ENV believes including IRN is less risky than not) and procedure to select them
- which guests who pay their own expenses? and
- which Bank group units should be asked to contribute?

Separately, Andres copied to you comments on the study made by FERC at the request of the US ED.

CC: OEDD3 Files

(OEDD3 FILES)

A L L - I N - 1 N O T E

DATE: 08-Oct-1996 10:40am EST

TO: FRANCISCO AGUIRRE-SACASA (FRANCISCO AGUIRRE-SACASA@A1@WBWASH)
TO: YVES ALBOUY (YVES ALBOUY@A1@WBWASH)

FROM: Andres Liebenthal, OEDD3 (ANDRES LIEBENTHAL@A1@WBHQB

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Tennessee Valley Authority-USA?
Canada (Hydro Quebec, Ont. Hydro, BC)?
Norway Water Resources and Energy Administration
Electricite de France (Jacques Delcambre?)
ENEL-Italy (Massimo Cadeddu?)
Electric Power Dev. Corp-Japan?
Pakistan-Ghazi Baroda rep. (WAPDA - Kirmani?)
Colombia-ISA rep
Ghana-Volta River Authority (E.A.K.Kalitsi?)
Russia ??
Turkey ??
Mekong Committee?
Thailand (EGAT?)
Indonesia (Asahan)?
Philippines (BOT rep)?
Chile (ENDESA -Pangue)?
Brazil (ELETROBRAS, CVRD)?

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The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: October 9, 1996 06:40pm

TO: JOHN D. CLARK

(JOHN D. CLARK @A1@WBHQB)

FROM: Pablo Guerrero, DGO

(PABLO GUERRERO)

EXT.: 31717

SUBJECT: NGO Evaluation Synthesis Study

John:

I just received a copy of the proposal sponsored by Finland. It has been drafted by M. Cowen, of IDS, and R. Ridell of ODI. The paper will be discussed next week at the DAC Evaluation group meeting. I would be grateful for any comments you may have on the approach. (I'll send the paper to you by hand tomorrow morning).

Thanks.

Pablo

CC: DGO Files

(DGO FILES)

A L L - I N - 1 N O T E

DATE: 09-Oct-1996 01:21pm

TO: Robert Picciotto (ROBERT PICCIOTTO)

FROM: Andrew Vorkink, LEGLR (ANDREW VORKINK)

EXT.: 81678

SUBJECT: Swedish Legal NGO

Thank you for sending us the brochure about the Swedish Institute for Legal Development. While we have had contact with a number of similar groups in Europe, we have not previously heard of SILD and will be contacting them for more information about their activities.

CC: Ibrahim Shihata (IBRAHIM SHIHATA)

A L O - I N - 1 N O T E

DATE: 04-Oct-1996 06:15pm

TO: YVES ALBOUY@A1@WBWASH

FROM: , IFC

(6=Stevenson@1-US@2=MCI@3=IFC@5=IFC@4=CEXOE@7=Wi

EXT.:

SUBJECT: fwd: re: fwd: re: fwd: re: Large dams workshop

Yves:

Re possible private sector participants, suggest you contact IFC's Martyn
Idle (x3-0661), who is Manager of our Environment Division and can
suggest contacts from the Business Council for Sustainable Development
(BCSD).

The Director of IFC's Infrastructure Dept, Assaad Jabre, advises that it
will not be appropriate to approach the sponsor (Endesa) of our only
existing large dam project (Panguel/Chile) in connection with this workshop.

In any case, the BCSD are the right industry group to be asked to
participate.

Best regards,
Bill

Original Text

From Mark A. Constantine@CPACR@IFC, on 10/4/96 4:09 PM:
William E. Stevenson@CEXOE@IFC

Bill,

Would suggest you contact Martyn or Andreas on this -- they are in
regular contact with BCSD.

Mark

From: William E. Stevenson@CEXOE@IFC, on 10/2/96 6:48 PM:
To: Mark A. Constantine@CPACR@IFC

Mark:

Who is the appropriate contact for OED in the Business Council for
Sustainable Economic Development (I attended their annual luncheon meeting
in Rosslyn last Fall; Jamil gave a speech) ?

Thanks,
Bill

From Rauf Diwan@CIND1@IFC, on 10/2/96 1:42 PM:
To: William E. Stevenson@CEXOE@IFC

Sorry Bill! Will try to get back to you next week.

From William E. Stevenson@CEXOE@IFC, on 10/1/96 3:25 PM:
To: Assaad Jabre@CINDR@IFC, Rauf Diwan@CIND1@IFC

Any suggestions for how to engage the pvt sector in this workshop ?

From William E. Stevenson, on 10/1/96 3:24 PM:
To: Internet@Network[<yalbouy@worldbank.org>]

Yves:

I am awaiting inputs from our IFC Infrastructure Dept mgt, who are understandably onto other priorities this week. Bear with us. I sent preliminary suggestions earlier, and meant to add to that, the Business Council for Sustainable Economic Development (I think that's their name -- will check).

From Yves Albouy <yalbouy@worldbank.org>, on 10/1/96 5:39 PM:
To: "ANDREW STEER" <asteer@worldbank.org>, <WStevenson@ifc.org>
Cc: "ROBERT GOODLAND" <rgoodland@worldbank.org>, <roanderson@ifc.org>, "JOSEPH GILLING" <jgilling@worldbank.org>, "OEDD3 Files" <ofiles3@worldbank.org>

We would like your prompt views on this before proceeding with IUCN and other interested parties outside the Bank. Thank you.

Date: Mon, 30 Sep 1996 19:09:04 GMT
From: Andres Liebenthal <"ANDRES LIEBENTHAL%A1%WBHQB"@mb.worldbank.org>
Subject: Large dams - workshop the attached draft incorpora
To: YVES ALBOUY <"YVES ALBOUY%A1%WBWASH"@mb.worldbank.org>
Message-id: <"D209ZWMVLOPUI*/R=WBHQB/R=A1/U=ANDRES LIEBENTHAL/"@MHS>
MIME-version: 1.0
Content-type: MULTIPART/MIXED; BOUNDARY="Boundary (ID F80n3Z4jtkti37VPIEKKmA)"
Delivery-date: Mon, 30 Sep 1996 19:13:00 GMT
Posting-date: Mon, 30 Sep 1996 19:10:00 GMT
Importance: normal
Al-type: MAIL

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Content-type: TEXT/PLAIN; CHARSET=US-ASCII

--Boundary (ID F80n3Z4jtkti37VPIEKKmA)
Content-type: MESSAGE/RFC822

Date: Mon, 30 Sep 1996 16:38:27 GMT
From: Andres Liebenthal <"ANDRES LIEBENTHAL%A1%WBHQB"@mb.worldbank.org>
Subject: Large dams workshop
To: YVES ALBOUY <"YVES ALBOUY%A1%WBWASH"@mb.worldbank.org>

Message-id: <"D1505ZWMVI6Y9J*/R=WBHQB/R=A1/U=ANDRES LIEBENTHAL/"@MHS>
MIME-version: 1.0
Content-type: TEXT/PLAIN; CHARSET=US-ASCII
Delivery-date: Mon, 30 Sep 1996 16:43:00 GMT
Posting-date: Mon, 30 Sep 1996 16:43:00 GMT
Importance: normal
A1-type: MAIL

PROPOSED IUCN/WORLD BANK WORKSHOP ON LARGE DAMS

Background:

Should the World Bank continue to support large dams? The Phase I draft report summarizes the results of a desk review of 50 large dams financed and completed by the Bank. The findings indicate that, based on current standards and economic conditions, most of the projects in the review have had acceptable or potentially acceptable outcomes, in that adverse impacts could have been mitigated without jeopardizing the economic justification of the dam. The outcome was rated unacceptable for 13 of the dams, because of large adverse environmental and social impacts, or an economic rate of return well below 10%. On that basis, the Bank should continue to support large dams provided that (i) the project complies strictly with Bank guidelines, and (ii) these guidelines continue to be refined as appropriate on the basis of continuous feedback from experience.

Discussing the Phase I study, the Committee on Development Effectiveness (CODE) of the Bank's Board of Executive Directors

found the results encouraging, but noted that dams will continue to be built, with or without the Bank's involvement. There was therefore a need for the Bank to influence future large dam projects so that they are planned, built and operated in a manner consistent with the objective of sustainable development, taking into account that a large share will be developed by the private sector.

The CODE urged OED to proceed with Phase II of the study, with the objective of carrying out additional impact assessments as needed to draw the appropriate lessons from the experience, highlight good practices, and provide a basis for the refinement of the Bank's guidelines. Phase II would be part of an overall corporate strategy of

facilitating the adoption of generally accepted standards related to the design, construction, operation and financing of large dams.

The CODE, and Bank management, also requested OED to ensure that Phase II reflects the views of civil society, including institutions and private investors, as well as the views of nongovernmental organizations (NGOs).

The Workshop:

The main objective of the proposed workshop is to establish a partnership with a representative group of stakeholders under the aegis of the IUCN to (in the short term) review the Phase I

and develop plans for Phase II and (in the medium term) carry out Phase II and disseminate the results.

IUCN and the Bank would sponsor a roundtable discussion involving about 25-30 handpicked individuals knowledgeable about the issues

and able to reflect the views of governments, the private sector, the civil society and the academy. The workshop will require two full days. It will be held at IUCN's HQ near Geneva; or at the World

Bank's headquarters. The timing should be in the first quarter of 1997.

Mr Maurice Strong would chair the meeting.

The agenda would cover the following main topics:

- a. review of global trends affecting the economic, social and environmental justification of large dams.
- b. discussion of the main conclusions of the Phase I Report and of the underlying analysis in relation to the experience of other countries and agencies.
- c. review the scope, objectives, financing and organization of a Phase II impact evaluation study to improve, refine and update the diagnostic and lessons arising out of Phase 1.
- d. explore the need to refine and disseminate generally accepted standards for planning, building, operating and financing large dams.

Participants would drawn as follows :

Private Sector

Jan Veltrop (Harza Eng., ex ICOLD head)??

Consultant ??
Foreign Investment Bank ??
International Power Company

Civil Society

Three local NGOs
Three international NGOs

drawn from e.g.

Arch Vahini (Narmada) rep.
Lesotho Highlands rep.
Natural Resources Defense Council (Steve Parcells?)
International Rivers Network (Phil White?)
World Wildlife Fund-Intl (David Reed?)
Environmental Defense Fund (Bruce Rich?)
Friends of the Earth (Marika Torffs?)
National Wildlife Federation (Barbara Bramble?)

Public Agencies

Two Developed Countries\
Four Developing Countries

drawn from e.g.

USA?
Canada (Hydro Quebec, Ont. Hydro, BC)?
Norway Water Resources and Energy Administration
Electricite de France (Jacques Delcambre?)
ENEL-Italy (Massimo Cadeddu?)
Electric Power Dev. Corp (Japan)
Pakistan-Ghazi Baroda rep. (Kirmani)
Colombia-ISA rep
Russia ??
Turkey ??
Laos?
Indonesia (Asahan)?
Philippines (BOT rep)?
Chile (ENDESA -Pangue)?
Brazil (CVRD)?

Experts

Three water resources and dam experts

e.g.

Peter Rogers, Harvard (env.econ)
Thayer Scudder, USC (soc. anthro)
Tony Dorcey, UBrColumbia (planning, disp. resolution)
E. Razvan, Delft Inst of Tech. (Neth.)

Tentative Budget

Base Case: a 2-day Roundtable with 30 participants at IUCN HQ in Geneva

Airfare DC-Geneva RT: \$3240/RT bus class x 30 participants = 97K
Subsistence \$305/night x 3 days x 30 participants = 27K
Fees for academic experts @\$650/day x 7 days x 4 experts = 18K
Total = 142K

Alternative Case: a 2-day Roundtable with 30 participants at Bank
in Washington (assume 7 participants based in Washington)

Airfare to Washington \$3240/bus class x 23 participants = 75K
Subsistence \$181/night x 3 nights x 23 participants = 12K
Fees for academic experts @\$650/day x 7 days x 4 experts = 18K
Total = 105K

Funding

Explore trust funding for the conference. Swiss ?

Next Steps:

Consult and communicate informally with all participants (inside
and outside the Bank) as early as possible to get them involved in
defining the process of the workshop and Phase II, and to develop
their ownership of the process and commitment to success.
As the next step, contact IUCN informally re agenda, schedule,
participants and budget responsibilities

--Boundary (ID F80n3Z4jtkti37VPIEKKmA)--

CC: 6=Jabre@1=US@2=MCI@3=IFC@5=IFC@4=CINDR@7=Assaad@xmr@earth
CC: 6=Riddle@1=US@2=MCI@3=IFC@5=IFC@4=CTEE@7=Martyn@8=J@xmr@earth
CC: 6=Diwan@1=US@2=MCI@3=IFC@5=IFC@4=CIND1@7=Rauf@xmr@earth

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: October 4, 1996 09:51am

TO: See Distribution Below

FROM: Lyn Squire, PRDDR (LYN SQUIRE@A1=WBHQB)

EXT.: 36099

SUBJECT: Joint World Bank-NGO Study of Adjustment

Thanks to the efforts of many regional staff, we made considerable progress on this exercise during the Annual Meetings. This note updates you on progress so far with regard to country selection, and sets out next steps.

Country Selection

As you know, the intention is to study adjustment in ten countries. During the Annual Meetings, agreement was reached with the government in the case of three countries: Uganda, Zimbabwe, and El Salvador. The study is being considered by five other governments: Mexico, Bangladesh, Hungary, Ghana, and Ecuador. In the case of the remaining two countries, we are still trying to reach agreement between the World Bank and the NGOs and have not yet approached the governments.

Next Steps

1. The NGOs are examining whether they would like to include Mali or Burkina Faso as the fourth African case study. The RVPs for Africa have indicated that either would be acceptable. As soon as we know the input from the NGOs, we would like to approach the government through the country desk.
2. We will meet with EA to select one of three candidate countries - Cambodia, Philippines, and PNG. As soon as we have agreement with the region, we will discuss our selection with the NGOs, and then seek government endorsement through the country desk.
3. We will hold a meeting within a week or so for staff from all ten countries (or however many we have agreement on) to discuss the methodology, timing, etc., in more detail.

Finally, I would appreciate whatever you can do to secure government endorsement of and participation in this exercise. While it would make no sense to try to proceed in a country where the government resists the study, Mr. Wolfensohn has clearly committed the institution to a ten-country exercise (see his press briefing of October 3). In the event that some governments choose not to participate in the exercise despite our best

efforts, I will appreciate your help in selecting alternative countries.

Lyn Squire

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CC: KRIS MARTIN	(KRIS MARTIN@A1@WBWASH)
CC: Jacques Van Der Gaag	(JACQUES VAN DER GAAG@A1@WBHQB)
CC: John D. Clark	(JOHN D. CLARK@A1@WBHQB)
CC: ROBERT PICCIOTTO	(ROBERT PICCIOTTO@A1@WBWASH)
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CC: Ismail Serageldin	(ISMAIL SERAGELDIN@A1@WBHQB)
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CC: Elkyn Chaparro	(ELKYN CHAPARRO@A1@WBHQB)
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CC: Barbara Bruns	(BARBARA BRUNS@A1@WBHQB)
CC: PAULA DONOVAN	(PAULA DONOVAN@A1@WBWASH)
CC: Aubrey Williams	(AUBREY WILLIAMS@A1@WBHQB)
CC: Gloria Davis - ENVSP	(GLORIA DAVIS@A1@WBHQB)
CC: JOANNE SALOP	(JOANNE SALOP@A1@WBWASH)
CC: David de Ferranti	(DAVID DE FERRANTI@A1@WBHQB)
CC: Marianne Haug	(MARIANNE HAUG@A1@WBHQB)
CC: Robert S. Drysdale	(ROBERT S. DRYSDALE@A1@WBHQB)
CC: Myrna Alexander	(MYRNA ALEXANDER@A1@WBHQB)
CC: Shekhar Shah	(SHEKHAR SHAH@A1@WBHQB)
CC: SHAMSUDDIN AHMAD	(SHAMSUDDIN AHMAD@A1@WBWASH)
CC: PIERRE LANDELL-MILLS	(PIERRE LANDELL-MILLS@A1@DHAKA)
CC: MICHELLE KEANE	(MICHELLE KEANE@A1@WBWASH)
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CC: Surajit Goswami	(SURAJIT GOSWAMI@A1@WBHQB)
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CC: RITVA REINIKKA	(RITVA REINIKKA@A1@WBWASH)
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CC: BARBARA KAFKA	(BARBARA KAFKA@A1@WBWASH)
CC: ULRICH HEWER	(ULRICH HEWER@A1@WBWASH)
CC: MILLARD F. LONG	(MILLARD F. LONG@A1@HUNGAR)
CC: Minhchau Nguyen	(MINHCHAU NGUYEN@A1@WBHQB)
CC: Alan Gelb	(ALAN GELB@A1@WBHQB)
CC: Klaus Deininger	(KLAUS DEININGER@A1@WBHQB)
CC: Guillermo Perry	(GUILLERMO PERRY@A1@WBHQB)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: October 2, 1996 03:59pm

TO: ROBERT PICCIOTTO (ROBERT PICCIOTTO@A1@WBWASH)

FROM: John D. Clark, PSP (JOHN D. CLARK@A1@WBHQB)

EXT.: 31840

SUBJECT: NGO-Bank Committee

Firstly, many thanks for meeting the parliamentarian and NGOs on Monday. They truly appreciated the meeting. I have forwarded the names/addresses of participants to Chris Gibbs so that your project cycle paper can be circulated.

On another matter - I hope you are able to come to some of this year's NGO-WORLD Bank Committee meeting. Though you would make valuable contributions to all the agenda items, the particular item which Myrna and I hoped you might participate in is the discussion of State Reform and Civil Society which is on Tuesday October 15 from 1:30 pm till 6:00pm (in JB-1080). After the opening presentations by the NGOs (one for Africa, Asia, LAC and perhaps ECA) it would be excellent if you could start for the Bank. Lyn Squire is then going to describe the context of the WDR97, and Alison Evans (from the WDR team) will describe the Stat-civil society aspect of the WDR. Then it would be thrown open to discussion. Of course, we would not expect you to stay until the end.

With thanks.

CC: Myrna Alexander (MYRNA ALEXANDER@A1@WBHQB)
CC: NATHALIE LENOBLE (NATHALIE LENOBLE@A1@WBWASH)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 30, 1996 08:11am

TO: Robert Picciotto (ROBERT PICCIOTTO)

FROM: Francisco Aguirre-Sacasa, OEDDR (FRANCISCO AGUIRRE-SACASA)

EXT.: 34380

SUBJECT: RE: I will be travelling when this takes place. Please ensure that we
are adequately represented and advise John Clark directly. Thanks

Bob:

I shall attend this together with one or two persons from
D1. I shall work out the particulars with Roger and advise
Clark.

Regards.

Francisco

CC: ROGER SLADE
CC: DGO Files

(ROGER SLADE @A1@WBHQB)
(DGO FILES)

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: September 27, 1996 08:55pm

TO: Yves Albouy (YVES ALBOUY)
TO: ANDRES LIEBENTHAL (ANDRES LIEBENTHAL @A1@WBHQB)

FROM: Robert Picciotto, DGO (ROBERT PICCIOTTO)

EXT.: 84569

SUBJECT: Next step is to revise the draft (see Bill Stevenson's numerous ideas on the private sector attached) and send it to ENV for a

discussion in a meeting with Andrew Steer. I would be prepared to participate but would be happier to have you carry the ball and involve me after you have consulted everyone and have reached a consensus or a deadlock on some issues. Since the workshop is partly about overall environmental policy and not only an evaluation issue, it would be helpful to have operations pick up half of the Bank portion of the cost.

CC: DGO Files (DGO FILES)

A L L - I N - 1 N O T E

DATE: 27-Sep-1996 06:36pm EST

TO: rpicciotto (rpicciotto@worldbank.org@INTERNET)

FROM: WStevenson, (WStevenson@ifc.org@INTERNET)

EXT.:

SUBJECT: Re: Large Dams Workshop - Proposed Agenda and Next Steps

Bob:

Off the top of my head, and from the private sector/BOT hydro perspective, here are some thoughts:

(1) Countries -- you need to include Turkey, Indonesia, Philippines, Chile and Brazil in your list. Turkey has been encouraging developers for years and I believe some hydro projects have close; Indonesia has of course the huge Asahan development in Sumatra, a Japanese-financed and built aluminum smelting operation with its own captive large dam; the Philippines has a vibrant BOT power generation program and must by now have some active hydro-based schemes in Mindinao, I assume; Chile has Panguel/Endesa, more under-developed resources and a credible BOT track record; and Brazil has CVRD (one of the world's largest integrated mining/ore processing companies with a largely hydro-based captive supply) which has spawned a number of BOT hydro proposals (doubt if any have closed other than as corporate credit developments).

(2) Obviously, the U.S. and Canada have smallish independent (BOT-type) hydro-based power projects going back to the PURPA/energy crisis days of the Carter Admin (1976-80), with Canada presumably having more. Maurice Strong must know that world as well as who the non-utility developers have been.

(3) I'll need to check with my old Bechtel colleagues, but from my personal experience, you would want to invite representatives from the Electric Power Development Corporation (EPDC) of Japan (I can get individual suggestion from J-Exim's Miyairi), probably from CVRD, and those who our IFC Infrastructure Dept colleagues can identify who have successfully developed, closed, constructed and operated BOT-type hydro projects in the developing world. I'm not sure pure contractors will bring much to this discussion.

(4) Rauf, any thoughts from your Dept's perspective on where the BOT hydro deals are that have reached the operating period stage? Upstream of that?

Regards,

Bill

Original Text

From Robert Picciotto <rpicciotto@worldbank.org>, on 9/27/96 9:23 PM:

To: <WStevenson@ifc.org>

Cc: "DGO Files" <dfiles@worldbank.org>

The attached is a very rough draft. Please send your suggestions about the agenda and possible participants from the private sector and IFC to Yves Albouy. Many thanks.

Date: Tue, 24 Sep 1996 13:33:49 GMT
Subject: Large Dams Workshop - Proposed Agenda and Next Steps
MIME-version: 1.0
Content-type: TEXT/PLAIN; CHARSET=US-ASCII
Importance: normal
Al-type: DOCUMENT

PROPOSED IUCN/WORLD BANK WORKSHOP ON LARGE DAMS

of
Start with a couple of paras here on Phase I and the conclusions
of
CODE.

dams
The broad objective of Phase II is to ensure that future large
are planned, built and operated in a manner consistent with the
objective of sustainable development, taking into account that a
large
share will be developed by the private sector.

impact
The specific objective of Phase II is to carry out additional
the
assessments as appropriate to draw the appropriate lessons from
experience, highlighting good practices, and provide a basis for
refinement of the Bank's guidelines and their dissemination as
generally accepted standards for the private sector.

facilitating
The workshop is part of an overall corporate strategy of
design,
the adoption of generally accepted standards related to the
construction, operation and financing of large dams. Its main
objective of the workshop is to establish a partnership with a
representative group of stakeholders under the aegis of the IUCN
to
(in the short term) review the Phase I report and develop plans
for
Phase II and (in the medium term) carry out Phase II and
disseminate
the results.

and
IUCN and the Bank would sponsor a roundtable discussion involving
about 25-30 handpicked individuals knowledgeable about the issues
able to reflect the views of governments, the private sector, the

civil society and the academy. The workshop will require two full days. It will be held at IUCN's HQ near Geneva; or at the World

headquarters. The timing should be in the first quarter of 1997.

Maurice Strong would chair the meeting.

The agenda would cover the following main topics:

a. review of global trends affecting the economic, social and environmental justification of large dams.

b. discussion of the main conclusions of the Phase I Report and of the underlying analysis in relation to the experience of other countries and agencies.

c. review the scope, objectives, financing and organization of a

Phase II impact evaluation study to improve, refine and update the diagnostic and lessons arising out of Phase I.

d. explore the need to refine and disseminate generally accepted standards for planning, building, operating and financing large

Participants would drawn as follows :

Private Sector

Contractor ??

Consultant ??

Foreign Investment Bank ??

International Power Company

Civil Society

Three local NGOs

Three international NGOs

drawn from e.g.

Arch Nahini (Narmada) rep.

Lesotho Highlands rep.

Natural Resources Defense Council (Steve Parcells?)

International Rivers Network (Phil White?)

World Wildlife Fund-Intl (David Reed?)

Environmental Defense Fund (Bruce Rich?)

Friends of the Earth (Marika Torffs?)

National Wildlife Federation (Barbara Bramble?)

Public Agencies

Two Developed Countries\

Four Developing Countries

drawn from e.g.

Norway Water Resources and Energy Administration
Electricite de France (Jacques Delcambre?)
ENEL-Italy (Massimo Cadeddu?)
Central Res. Inst. of El. Power-Japan (Shuichi Aki?)
China ??
Pakistan-Ghazi Baroda rep. (Kirmani)
Colombia-ISA rep
Russia ??
Laos ??

Experts

Three water resources and dam experts

e.g.

Peter Rogers, Harvard (econ)
Thayer Scudder, USC (soc. anthro)
Shoichi Murakami, Chiba Inst. of Tech. (Japan)
E. Razvan, Delft Inst of Tech. (Neth.)
Jan Veltrop (Harza Eng.)

Tentative Budget (do it on the basis of 30 participants)

Base Case: a 2-day Roundtable with 20 participants at IUCN HQ in Geneva

Airfare DC-Geneva RT: \$3240/RT bus class x 20 participants = 65K
Subsistence \$305/night x 3 days x 20 participants = 18K
Fees for academic experts @\$650/day x 7 days x 4 experts = 18K
Total = 101K

Alternative Case: a 2-day Roundtable with 20 participants at Bank

in Washington (assume 7 participants based in Washington)

Airfare to Washington \$3240/bus class x 13 participants = 42K
Subsistence \$181/night x 3 nights x 13 participants = 7K
Fees for academic experts @\$650/day x 7 days x 4 experts = 18K
Total = 67K

Funding

Explore trust funding for the conference. Swiss ?

Next Steps:

Consult and communicate informally with all participants (inside
and outside the Bank) as early as possible to get them involved in

defining the process of the workshop and Phase II, and to develop their ownership of the process and commitment to success.

On this basis, the next steps should be to:

a. contact NGO unit (Najmad Siddiqi/John Clark) re Bank/NGO

Steering

Committee involvement, selection of appropriate NGOs.

b. contact IFC re their role, participation, budgetary

contribution

c. contact ENV re their role, participation, budgetary

contribution

d. contact IUCN informally re agenda, schedule, participants and budget responsibilities

CC: Rauf Diwan

(RDiwan@ifc.org@INTERNET)

A L L - I N - 1 N O T E

DATE: 27-Sep-1996 06:36pm

TO: rpicciotto (rpicciotto@worldbank.org@INTERNET)

FROM: WStevenson, (WStevenson@ifc.org@INTERNET)

EXT.:

SUBJECT: Re: Large Dams Workshop - Proposed Agenda and Next Steps

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Regards,
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objective of the workshop is to establish a partnership with a
representative group of stakeholders under the aegis of the IUCN

to
for
disseminate
(in the short term) review the Phase I report and develop plans
Phase II and (in the medium term) carry out Phase II and
the results.

and
IUCN and the Bank would sponsor a roundtable discussion involving
about 25-30 handpicked individuals knowledgeable about the issues
able to reflect the views of governments, the private sector, the

civil society and the academy. The workshop will require two full days. It will be held at IUCN's HQ near Geneva; or at the World

Bank's

headquarters. The timing should be in the first quarter of 1997.

Mr

Maurice Strong would chair the meeting.

The agenda would cover the following main topics:

a. review of global trends affecting the economic, social and environmental justification of large dams.

b. discussion of the main conclusions of the Phase I Report and of the underlying analysis in relation to the experience of other countries and agencies.

Phase

c. review the scope, objectives, financing and organization of a II impact evaluation study to improve, refine and update the diagnostic and lessons arising out of Phase 1.

dams.

d. explore the need to refine and disseminate generally accepted standards for planning, building, operating and financing large

Participants would drawn as follows :

Private Sector

Contractor ??

Consultant ??

Foreign Investment Bank ??

International Power Company

Civil Society

Three local NGOs

Three international NGOs

drawn from e.g.

Arch Vahini (Narmada) rep.

Lesotho Highlands rep.

Natural Resources Defense Council (Steve Parcells?)

International Rivers Network (Phil White?)

World Wildlife Fund-Intl (David Reed?)

Environmental Defense Fund (Bruce Rich?)

Friends of the Earth (Marika Torffs?)

National Wildlife Federation (Barbara Bramble?)

Public Agencies

Two Developed Countries\

Four Developing Countries

drawn from e.g.

Norway Water Resources and Energy Administration
Electricite de France (Jacques Delcambre?)
ENEL-Italy (Massimo Cadeddu?)
Central Res. Inst. of El. Power-Japan (Shuichi Aki?)
China ??
Pakistan-Ghazi Baroda rep. (Kirmani)
Colombia-ISA rep
Russia ??
Laos ??

Experts

Three water resources and dam experts

e.g.

Peter Rogers, Harvard (econ)
Thayer Scudder, USC (soc. anthro)
Shoichi Murakami, Chiba Inst. of Tech. (Japan)
E. Razvan, Delft Inst of Tech. (Neth.)
Jan Veltrop (Harza Eng.)

Tentative Budget (do it on the basis of 30 participants)

Base Case: a 2-day Roundtable with 20 participants at IUCN HQ in Geneva

Airfare DC-Geneva RT: \$3240/RT bus class x 20 participants = 65K
Subsistence \$305/night x 3 days x 20 participants = 18K
Fees for academic experts @\$650/day x 7 days x 4 experts = 18K
Total = 101K

Alternative Case: a 2-day Roundtable with 20 participants at Bank

in Washington (assume 7 participants based in Washington)

Airfare to Washington \$3240/bus class x 13 participants = 42K
Subsistence \$181/night x 3 nights x 13 participants = 7K
Fees for academic experts @\$650/day x 7 days x 4 experts = 18K
Total = 67K

Funding

Explore trust funding for the conference. Swiss ?

Next Steps:

Consult and communicate informally with all participants (inside
and outside the Bank) as early as possible to get them involved in

defining the process of the workshop and Phase II, and to develop their ownership of the process and commitment to success.

On this basis, the next steps should be to:

a. contact NGO unit (Najmad Siddiqi/John Clark) re Bank/NGO

Steering

Committee involvement, selection of appropriate NGOs.

b. contact IFC re their role, participation, budgetary

contribution

c. contact ENV re their role, participation, budgetary

contribution

d. contact IUCN informally re agenda, schedule, participants and budget responsibilities

CC: Rauf Diwan

(RDiwan@ifc.org@INTERNET)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 27, 1996 05:24pm

TO: William Stevenson (WILLIAM STEVENSON)

FROM: Robert Picciotto, DGO (ROBERT PICCIOTTO)

EXT.: 84569

SUBJECT: Large Dams Workshop - Proposed Agenda and Next Steps

The attached is a very rough draft. Please send your suggestions about the agenda and possible participants from the private sector and IFC to Yves Albouy. Many thanks.

CC: DGO Files (DGO FILES)

PROPOSED IUCN/WORLD BANK WORKSHOP ON LARGE DAMS

Start with a couple of paras here on Phase I and the conclusions of CODE.

The broad objective of Phase II is to ensure that future large dams are planned, built and operated in a manner consistent with the objective of sustainable development, taking into account that a large share will be developed by the private sector.

The specific objective of Phase II is to carry out additional impact assessments as appropriate to draw the appropriate lessons from the experience, highlighting good practices, and provide a basis for the refinement of the Bank's guidelines and their dissemination as generally accepted standards for the private sector.

The workshop is part of an overall corporate strategy of facilitating the adoption of generally accepted standards related to the design, construction, operation and financing of large dams. Its main objective of the workshop is to establish a partnership with a representative group of stakeholders under the aegis of the IUCN to (in the short term) review the Phase I report and develop plans for Phase II and (in the medium term) carry out Phase II and disseminate the results.

IUCN and the Bank would sponsor a roundtable discussion involving about 25-30 handpicked individuals knowledgeable about the issues and able to reflect the views of governments, the private sector, the civil society and the academy. The workshop will require two full days. It will be held at IUCN's HQ near Geneva; or at the World Bank's headquarters. The timing should be in the first quarter of 1997. Mr Maurice Strong would chair the meeting.

The agenda would cover the following main topics:

- a. review of global trends affecting the economic, social and environmental justification of large dams.
- b. discussion of the main conclusions of the Phase I Report and of the underlying analysis in relation to the experience of other countries and agencies.
- c. review the scope, objectives, financing and organization of a Phase II impact evaluation study to improve, refine and update the diagnostic and lessons arising out of Phase I.
- d. explore the need to refine and disseminate generally accepted standards for planning, building, operating and financing large dams.

Participants would drawn as follows :

Private Sector

Contractor ??

Consultant ??
Foreign Investment Bank ??
International Power Company

Civil Society

Three local NGOs
Three international NGOs

drawn from e.g.

Arch Vahini (Narmada) rep.
Lesotho Highlands rep.
Natural Resources Defense Council (Steve Parcells?)
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World Wildlife Fund-Intl (David Reed?)
Environmental Defense Fund (Bruce Rich?)
Friends of the Earth (Marika Torffs?)
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Public Agencies

Two Developed Countries\
Four Developing Countries

drawn from e.g.

Norway Water Resources and Energy Administration
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ENEL-Italy (Massimo Cadeddu?)
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China ??
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Three water resources and dam experts

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Thayer Scudder, USC (soc. anthro)
Shoichi Murakami, Chiba Inst. of Tech. (Japan)
E. Razvan, Delft Inst of Tech. (Neth.)
Jan Veltrop (Harza Eng.)

Tentative Budget (do it on the basis of 30 participants)

Base Case: a 2-day Roundtable with 20 participants at IUCN HQ in Geneva

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Total = 101K

Alternative Case: a 2-day Roundtable with 20 participants at Bank HQ
in Washington (assume 7 participants based in Washington)

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Total = 67K

Funding

Explore trust funding for the conference. Swiss ?

Next Steps:

Consult and communicate informally with all participants (inside and outside the Bank) as early as possible to get them involved in defining the process of the workshop and Phase II, and to develop their ownership of the process and commitment to success.

On this basis, the next steps should be to:

- a. contact NGO unit (Najmad Siddiqi/John Clark) re Bank/NGO Steering Committee involvement, selection of appropriate NGOs.
- b. contact IFC re their role, participation, budgetary contribution
- c. contact ENV re their role, participation, budgetary contribution
- d. contact IUCN informally re agenda, schedule, participants and budget responsibilities

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 27, 1996 05:23pm

TO: Francisco Aguirre-Sacasa
TO: ROGER SLADE

(FRANCISCO AGUIRRE-SACASA)
(ROGER SLADE @A1@WBHQB)

FROM: Robert Picciotto, DGO

(ROBERT PICCIOTTO)

EXT.: 84569

SUBJECT: I will be travelling when this takes place. Please ensure that we
are adequately represented and advise John Clark directly. Thanks

CC: DGO Files

(DGO FILES)

A L L - I N - 1 N O T E

DATE: 27-Sep-1996 05:15pm EST

TO: See Distribution Below

FROM: John D. Clark, PSP (JOHN D. CLARK@A1@WBHQB)

EXT.: 31840

SUBJECT: NGO/WB Committee Meeting - October 15-17 - JB1-080

Please let me, or my assistant (Nathalie Lenoble, X37351), know if you (or an alternate) can attend the NGO/WB committee meeting, October 15-17 (see attached EM).

Thank you very much.

DISTRIBUTION:

TO: ROBERT PICCIOTTO	(ROBERT PICCIOTTO@A1@WBWASH)
TO: MARK MALLOCH BROWN	(MARK MALLOCH BROWN@A1@WBWASH)
TO: Ismail Serageldin	(ISMAIL SERAGELDIN@A1@WBHQB)
TO: JAMES W. ADAMS	(JAMES W. ADAMS@A1@WBWASH)
TO: Elkyn Chaparro	(ELKYN CHAPARRO@A1@WBHQB)
TO: Zafer Ecevit	(ZAFER ECEVIT@A1@WBHQB)
TO: DANIEL RITCHIE	(DANIEL RITCHIE@A1@WBWASH)
TO: ALEXANDER SHAKOW	(ALEXANDER SHAKOW@A1@EDSEL)
TO: Lyn Squire	(LYN SQUIRE@A1@WBHQB)
TO: HANS JURGEN GRUSS	(HANS JURGEN GRUSS@A1@WBWASH)
TO: Barbara Bruns	(BARBARA BRUNS@A1@WBHQB)
TO: PAULA DONOVAN	(PAULA DONOVAN@A1@WBWASH)
TO: Aubrey Williams	(AUBREY WILLIAMS@A1@WBHQB)
TO: Gloria Davis - ENVSP	(GLORIA DAVIS@A1@WBHQB)
TO: JOANNE SALOP	(JOANNE SALOP@A1@WBWASH)
TO: David de Ferranti	(DAVID DE FERRANTI@A1@WBHQB)
TO: Marianne Haug	(MARIANNE HAUG@A1@WBHQB)
TO: Robert S. Drysdale	(ROBERT S. DRYSDALE@A1@WBHQB)
CC: NATHALIE LENOBLE	(NATHALIE LENOBLE@A1@WBWASH)

A L L - I N - L I N E

DATE: 27-Sep-1996 05:09pm EST

TO: JOHN D. CLARK

(JOHN D. CLARK@A1@WBHQB)

FROM: Nathalie Lenoble, PSP

(NATHALIE LENOBLE@A1@WBWASH)

EXT.: 37351

SUBJECT: Reminder

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: September 12, 1996 07:51pm EST

TO: See Distribution Below

FROM: John D. Clark, PSP (JOHN D. CLARK@A1@WBHQB)

EXT.: 31840

SUBJECT: Annual Meeting of NGO-World Bank Committee

Dear Friends,

This year's NGO-World Bank Committee meeting will take place from October 15 morning to October 17 lunchtime. Please put this into your calendar. While you would be welcome to do so, I am sure that you would not want to take part in the full schedule of meetings. Hence please take a note of the items on the draft agenda (below) which are of particular interest.

Three events which we particularly urge Regional colleagues to attend are:-

1. State Reform and Civil Society; October 15, 1:30pm - 6:00pm
2. NGO Capacity Building; October 16, 9:30am - 12:00am
3. Participation; October 16, 1:30pm - 4:00pm

If you are not able to attend items which you think your Vice-Presidency should be present at, I would be grateful if you could notify me of any substitute you designate.

Thanks, and hope to see you at the meeting!

DRAFT AGENDA

Tuesday, October 15

- 9:30 Introductions, approval of minutes of previous meeting
- 10:00 Report back on the Regional Meetings (Accra, Manila, Managua)
- 10:45 COFFEE
- 11:00 Update on plans for global workshop on Social Funds (with EDI)
- 12:00 Update on planned OED study on Bank-NGO collaboration
- 12:30 LUNCH
- 1:30 State Reform and Civil Society seminar format

4 NGO papers will be presented (Africa, Asia, LAC, ECA)
Response from Bank - from Regional members, and WDR team
Discussion

6:00 CLOSE

6:00 RECEPTION

Wednesday, October 16

9:30 NGO Capacity Building. NGOs propose the Bank establish an
Interagency Coordinating Group on NGO Capacity Building.
Senior representatives from some other agencies will be invited

00 Information Disclosure Policy - what more is needed

12:30 LUNCH

1:30 Participation. The NGOs will present regional papers and a
synthesis paper, for discussion

4:00 Meeting with EDs (hosted by Eveline Hefkens)

5:30 CLOSE

Thursday, October 17

9:30 Update on NGO Law Handbook

10:00 Update on participatory approaches to CAS

30 Update on Social Development Task Force

11:00 COFFEE

11:15 Update on Gender Policies in the Bank

11:45 Update on the Bank-NGO Structural Adjustment Review

12:15 Closing Remarks

12:30 CLOSE

We are asking representatives from USAID, UNDP, UNICEF, GTZ and the Ford
Foundation to join us for the NGO Capacity Building item.

DISTRIBUTION:

TO: ROBERT PICCIOTTO	(ROBERT PICCIOTTO@A1@WBWASH)
TO: MARK MALLOCH BROWN	(MARK MALLOCH BROWN@A1@WBWASH)
TO: Ismail Serageldin	(ISMAIL SERAGELDIN@A1@WBHQB)
TO: JAMES W. ADAMS	(JAMES W. ADAMS@A1@WBWASH)
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TO: Zafer Ecevit (ZAFER ECEVIT@A1@WBHQB)
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TO: Marianne Haug (MARIANNE HAUG@A1@WBHQB)
TO: robert s. drysdale@a1@delhi
CC: Myrna Alexander (MYRNA ALEXANDER@A1@WBHQB)
CC: ISHRAT HUSAIN (ISHRAT HUSAIN@A1@WBWASH)
CC: Alex Rondos (ALEX RONDOS@A1@WBHQB)
CC: KATHERINE BAIN (KATHERINE BAIN@A1@WBWASH)
CC: NATHALIE LENOBLE (NATHALIE LENOBLE@A1@WBWASH)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 27, 1996 10:54am

TO: Yves Albouy (YVES ALBOUY)

FROM: Robert Picciotto, DGO (ROBERT PICCIOTTO)

EXT.: 84569

SUBJECT: Large Dams Workshop - Proposed Agenda and Next Steps
My comments are incorporated in the attached. Please finalize asap

CC: Francisco Aguirre-Sacasa (FRANCISCO AGUIRRE-SACASA)

CC: ANDRES LIEBENTHAL (ANDRES LIEBENTHAL @A1@WBHQ3)

CC: DGO Files (DGO FILES)

PROPOSED IUCN/WORLD BANK WORKSHOP ON LARGE DAMS

Start with a couple of paras here on Phase I and the conclusions of CODE.

The broad objective of Phase II is to ensure that future large dams are planned, built and operated in a manner consistent with the objective of sustainable development, taking into account that a large share will be developed by the private sector.

The specific objective of Phase II is to carry out additional impact assessments as appropriate to draw the appropriate lessons from the experience, highlighting good practices, and provide a basis for the refinement of the Bank's guidelines and their dissemination as generally accepted standards for the private sector.

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- a. review of global trends affecting the economic, social and environmental justification of large dams.
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Consultant ??
Foreign Investment Bank ??
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drawn from e.g.

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Three water resources and dam experts

e.g.

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Thayer Scudder, USC (soc. anthro)
Shoichi Murakami, Chiba Inst. of Tech. (Japan)
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Jan Veltrop (Harza Eng.)

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Funding

Explore trust funding for the conference. Swiss ?

Next Steps:

Consult and communicate informally with all participants (inside and outside the Bank) as early as possible to get them involved in defining the process of the workshop and Phase II, and to develop their ownership of the process and commitment to success.

On this basis, the next steps should be to:

- a. contact NGO unit (Najmad Siddiqi/John Clark) re Bank/NGO Steering Committee involvement, selection of appropriate NGOs.
- b. contact IFC re their role, participation, budgetary contribution
- c. contact ENV re their role, participation, budgetary contribution
- d. contact IUCN informally re agenda, schedule, participants and budget responsibilities

A L L - I N - 1 N O T E

DATE: 27-Sep-1996 08:49am

TO: ROBERT PICCIOTTO (ROBERT PICCIOTTO@A1@WEWASH)

FROM: John D. Clark, PSP (JOHN D. CLARK@A1@WBHQE)

EXT.: 31840

SUBJECT: Suggestion from the Paris office

I received a suggestion from Nick Van Praag and Claudia Von Monbart in the Paris Office, suggesting that you might want to meet (before and/or after your meeting with Mr. Schmidt) with a new senior environmental advisor to Mr. Wolfensohn - Professor Rudolf Dolzer (on x85853) - who is a German. I know this is a very busy period, and can't imagine that it would be vital for your meeting, however Dr. Dolzer sounds a most interesting person, and so this might provide a pretext for an introduction, if you haven't already met him.

The following is a message from Paris Office:

It would be very helpful for Mr. Picciotto to talk to Dr. Dolzer before (and after). Dolzer used to be in the chancellery, he is close to Kohl and at the same time he is lawyer and environmental specialist, now advising JDW, I understand mainly on institutional aspects of GEF. It happens so that Dolzer is also involved in a big conference in Luebeck in Oct. (Draeger Symposium) where Mr. Picciotto will speak. Enough reasons to bring them together.. Don't know how to reach Dolzer, he must be sitting near Strong.

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 26, 1996 11:15am

TO: Robert Picciotto (ROBERT PICCIOTTO)
TO: Francisco Aguirre-Sacasa (FRANCISCO AGUIRRE-SACASA)

FROM: Yves Albouy, OEDD3 (YVES ALBOUY)

EXT.: 31690

SUBJECT: Large dams conference

I am forwarding Andres's thoughts on this. The question I have is how much do we want (or need) to pay to entice people into a collaboration (or truce) with us on the dams issues? Looking forward to your comments asap.

CC: ANDRES LIEBENTHAL (ANDRES LIEBENTHAL @A1@WBHQB)
CC: OEDD3 Files (OEDD3 FILES)

A L L - I N - 1 N O T E

DATE: 24-Sep-1996 12:29pm EST

TO: YVES ALBOUY (YVES ALBCUY@A1@WBWASH)

FROM: Andres Liebenthal, OEDD3 (ANDRES LIEBENTHAL@A1@WBHQB)

EXT.: 82507

SUBJECT: Large Dams Workshop - Proposed Agenda and Next Steps

The broad objective of Phase II is to ensure that future large dams are planned, built and operated in a manner consistent with the objective of sustainable development, taking into account that a large share will be developed by the private sector.

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The objective of the workshop is to establish a partnership with a representative group of stakeholders under the aegis of the IUCN to (in the short term) review the Phase I report and develop plans for Phase II and (in the medium term) carry out Phase II and disseminate the results.

The proposed approach is request IUCN to co-host (with the Bank) a roundtable discussion involving about 15-20 experts and NGO representatives, for about two days, at IUCN's HQ near Geneva (or some other site) in December or January.

The proposed agenda is:

a. discussion of the main conclusion of Phase I that most large dams financed by the Bank have had acceptable or potentially acceptable results, in that the mitigation of the adverse social and environmental consequences would have been technically and economically feasible. Draft Phase I report would be distributed for reference.

b. discussion of plans and proposals to carry out a detailed impact evaluation of a few large dams to improve refine and update the analysis of key issues, identify good practices and to contribute to the refinement and dissemination of generally accepted standards for planning, building, operating and financing large dams. Draft approach paper would be distributed for reference.

The proposed format would be for the Bank to start each day with a presentation, followed by comments from participants, with the chair making a strong effort to reach a consensus by the end of the day.

Tentative list of participants (to be revised/pruned):

World Bank:

Maurice Strong (chair or co-chair)
Robert Picciotto
Yves Albouy
Andres Liebenthal
Robert Goodland
Other? (Michael Cernea/ John Dixon/ Guy LeMoigne)
IFC rep

IUCN

TBD (co-chair)

World Bank/NGO Steering Committee

Arch Vahini (Narmada) rep.
Lesotho Highlands rep.
Natural Resources Defense Council (Steve Parcells?)

Part I Implementing Agencies

Norway Water Resources and Energy Administration
Canada (Hydro Quebec, Ontario Hydro or Brit. Col.)
Electricite de France (Jacques Delcambre?)
ENEL-Italy (Massimo Cadeddu?)
Central Res. Inst. of El. Power-Japan (Shuichi Aki?)

Part II Implementing Agencies

Pakistan-Ghazi Baroda rep. (Kirmani)
Colombia-ISA rep
Argentina-Yacyreta rep.

Academic Experts

Peter Rogers, Harvard (econ)
Thayer Scudder, USC (soc. anthro)
Shoichi Murakami, Chiba Inst. of Tech. (Japan)
E. Razvan, Delft Inst of Tech. (Neth.)

International Commission on Large Dams

Jan Veltrop (Harza Eng.)

Critical NGOs

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World Wildlife Fund-Intl (David Reed?)
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Friends of the Earth (Marika Torffs?)
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Tentative Budget

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Total = 67K

Next Steps:

In my view, it is critically important to consult and communicate informally with all participants (inside and outside the Bank) as early as possible to get them involved in defining the process of the workshop and Phase II, and to develop their ownership of the process and commitment to success.

On this basis, the next steps should be to:

- a. contact NGO unit (Najmad Siddiqi/John Clark) re Bank/NGO Steering Committee involvement, selection of appropriate NGOs.
- b. contact IFC re their role, participation, budgetary contribution
- c. contact ENV re their role, participation, budgetary contribution
- d. contact IUCN informally re agenda, schedule, participants and budget responsibilities

Please let me know when I can proceed with these contacts.

WORLD BANK OFFICE TRACKING SYSTEM
Director General, Ops Evaluation
Routing and Action Transmittal Sheet

TO: OEDDR, (T-9025)

DATE: 9/25/96

SUBJECT DOCUMENT:

From: Veena Siddharth
To: Robert Picciotto
Dated: 9/17/96

Reference No.: DGO960924003

Topic: "Report Card" on Mr. Wonfensohn and the World Bank, produced by
Oxfam International

ACTION INSTRUCTIONS:

DUE DATE:

HANDLE
 REVIEW AND RECOMMEND
 FOR YOUR INFORMATION
 DISCUSS WITH _____
 AS WE DISCUSSED
 PREPARE RESPONSE FOR _____ SIGNATURE
 FOR YOUR FILES
 RETURN TO _____
 OTHER: SEE BELOW

10/01/96

Remarks: FAS/PG: Your views please as to content and whether/how I should respond.

for NGOs



RECEIVED

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95 SEP 19 PM 1:22

September 17, 1996

OGO

Mr. Robert Picciotto
Director-General
Operations Evaluation Department
The World Bank
1818 H St. NW
Washington DC 20433

cc: FAS
PG

Your views please
as to content of (with the)
how I should
respond.

9

Dear Mr. Picciotto:

I am writing to enclose a "Report Card" on Mr. Wolfensohn and the World Bank, produced by Oxfam International. The Report Card assesses the progress both have made in the last fifteen months. We realize that fifteen months is much too soon to see substantive changes in the operations of an institution as large and complex as the World Bank. Still, we have tracked indicators of change in areas important to us as a network of development NGOs.

We are impressed with the increased openness of the Bank and its greater willingness to engage with civil society. We also welcome the greater focus on poverty in Country Assistance Strategies and Economic and Sector Work. Nonetheless, we feel the Bank still places too much of a focus on economic growth without sufficiently examining the effects of growth on poor people. Although we agree that economic growth is an essential component of poverty reduction, we believe it is also essential to ensure that poor people have access to productive resources such as land, financial services and secure employment, that enable them to participate in the economy.

The Report Card is not meant to be a comprehensive review of either Mr. Wolfensohn or of the Bank. Our purpose is to recognize the progress he has made in his tenure and at the same time urge him, the Executive Board and senior staff to devote their energies to making progress on equity and poverty issues in the coming months.

We would be interested in knowing your reactions to our Report Card.

Sincerely yours,

Veena Siddharth
Economic and Social Advocacy Officer
Oxfam International

Report Card On

**James D. Wolfensohn
& The World Bank**

Oxfam
International

Report Card

James D. Wolfensohn and the World Bank

June 1995 - August 1996

This "Report Card" is a review of the commitments James D. Wolfensohn (JDW) has made and the change that has occurred in the World Bank since he took over in June, 1995. Fifteen months is clearly not enough time to change an entrenched bureaucracy or persuade powerful interests in donor and borrower governments that change is necessary. Yet, it was Wolfensohn himself who said "Judge me after a year". Oxfam International's aim with this report card is to measure what has *actually changed*, on a number of select issues of concern to us as development NGOs, along with the effort and commitment shown by Wolfensohn to bring about change.

The Bank that Wolfensohn took over last year is criticized from all sides. NGOs have attacked the Bank for giving short shrift to poverty and human development. Conservative politicians censure the Bank for being a bloated bureaucracy that uses tax revenue to do what the private sector could do more efficiently. On top of these problems, IDA, the Bank's soft loan window for the poorest countries, has been dramatically cut. Wolfensohn indicated at an early stage that he aspires to be a reforming President. He pledged to change the "culture" of the Bank, put anti-poverty measures at the heart of the Bank's agenda and measure staff by "results on the ground."

So far, he has made progress on participation and debt -- perhaps an indication of what is possible under his more dynamic Presidency. In other areas, the achievements do not yet match the rhetoric. Although Wolfensohn has spoken eloquently and persuasively on gender and equity, Bank-sponsored adjustment programs have still not significantly changed to address these areas. There is still little discussion of how economic growth can benefit poor men and women. The real test of whether Wolfensohn will be a reforming president is whether the Bank promotes economic development that involves poor people, increases their access to decision makers and distributes the benefits of growth more equitably.

SUBJECT	GRADE	COMMENTS
Participation	B	Making progress but his staff have yet to understand that participation and information sharing are two different things.
Gender	B-	Needs to ensure that his strong personal commitment translates to change in the Bank's programs.
Transparency & Accountability	C	Increased openness of Bank staff in Washington, but staff outside Washington still reluctant to share information. Bank policy guidelines are being weakened.
Equity & Poverty	C-	Says the right things and has taken important steps but the Bank's programs have yet to change.
Access to Health & Education	C	Rhetoric and reality don't match.
Reduction of Multilateral Debt	B+	Has made significant progress and demonstrated leadership, showing what he can accomplish when he sets his mind to it.
World Bank "Culture"	B-	Deserves recognition for taking on this difficult task, especially for trying to change staff incentives and rewards to reflect results rather than moving money. However, he has a long way to go.
Overall Grade	B-	Promising start, but World Bank action lags behind Wolfensohn rhetoric. Needs to focus more on equity and poverty.

Participation: B

JDW COMMITMENTS	PROGRESS	COMMENTS
<p><i>"I personally believe in the relevance of participatory approaches and partnerships in development and am committed to making them a way of doing business in the Bank." (Foreword to the Participation Sourcebook, February 1996)</i></p>	<p>In every World Bank office in Africa and Latin America, there is now a Bank-NGO officer whose sole function is to work in conjunction with NGOs and other parts of civil society. JDW has a good record of meeting with NGOs to listen to and discuss their opinions and suggestions.</p> <p>Regional Vice Presidents at the Bank have selected 20 Bank-supported operations as best-practice examples of participation. Quarterly reports on these flagship participation projects are made to JDW.</p>	<p>Most of the NGO officers are new to the Bank and lack the authority to influence policies and projects. Steps to increase contacts with NGOs through monthly meetings are welcome but agendas for these Bank-NGO meetings are largely dictated by the Bank. Although NGOs are able to express their views better than before, this does not extend to shaping the lending program.</p> <p>The criteria for "best practice" is arbitrary and unclear. Some of the flagships were chosen because they employed techniques of participatory rural appraisal in design. This does not mean that projects are participatory. Civil society in borrowing countries has not been involved in selecting the flagships.</p>
<p><i>"I do...completely agree that it would be good practice for staff preparing a CAS to have intensive discussions with NGOs and others knowledgeable about poverty in order to draw on their 'local knowledge' in drafting it." (Letter from JDW to Oxfam UK/I, 7/12/95)</i></p>	<p>Javed Burki, VP of the LAC Region, agreed that 2-3 CASs in LAC would be "fully participatory." (News and Notices, Bread for the World, 7/96)</p> <p>All CASs going to the Board must indicate what participatory approaches involving civil society have been taken. (Wolfensohn's remarks to Oxfam International directors, 3/8/96)</p>	<p>There needs to be more accountability to those who participate. Some of the examples cited of participatory CASs would more accurately be termed selective information sharing, such as with the Bangladesh CAS where NGOs gave input but did not hear from Washington about the final product. In Vietnam, international NGOs were invited to discuss the draft CAS. The criteria and processes for selecting NGOs for consultation were unclear as was how written and verbal inputs were used. These attempts, while encouraging, need to be more transparent and move from consultation to participation.</p>

Gender: B-

JDW COMMITMENTS	PROGRESS	COMMENTS
<p><i>"We must do more to promote participation of women's groups in designing economic reforms -- and ensuring that those reforms go beyond macroeconomic variables to include other issues that affect women in fundamental ways -- such as the rights to own land."</i> (Speech by JDW at UN Conference for Women in Beijing, 9/15/95)</p>	<p>JDW was the first World Bank President to attend a UN-sponsored conference on women. At the conference, he committed himself to improving gender equity.</p> <p>JDW formed the External Gender Consultative Group, comprised of NGO activists, academics, and feminist leaders. The Group's first meeting with Bank staff and the President was on 4/29/96. It included discussions on adjustment.</p>	<p>Gender is mentioned more often now in the Bank but the Bank still has not produced a framework to translate policy into action. The Bank must explain how policies, incentives and funding will ensure that gender is mainstreamed (See Bank Information Center's forthcoming "Citizen's Guide to Gender at the World Bank").</p> <p>It is still too early to see if the External Gender Group will actually help to increase gender equity in adjustment and sector lending.</p>
<p><i>"I believe it is imperative that there should be much greater representation of women in leadership positions... How can any institution claim to be working to strengthen the role of women if it does not give equal opportunity to its own female staff?"</i> (Speech by JDW at UN Conf. on Women in Beijing, 9/15/95)</p>	<p>Since taking office, JDW has appointed four female Vice-Presidents and one female Managing Director, more than any previous World Bank President. At middle manager level, more women have been hired and measures to strengthen working conditions for women have been instituted.</p>	<p>JDW has acted on his promise to increase the number of women in leadership positions at headquarters. He should keep it up, especially in Resident Missions.</p>

Transparency and Accountability: C

JDW COMMITMENTS	PROGRESS	COMMENTS
<p><i>"(I pledge to) increase openness, partnership, accountability, and effectiveness of the Bank."</i> (Speech by JDW at Oct. 1995 Annual Meeting of the Bank and International Monetary Fund)</p>	<p>Project Information Documents (PIDs), which summarize project information, are now available and are beginning to be translated into the language of the host country.</p> <p>There are Public Information Centers in Washington, Tokyo, London and Paris with plans for centers in borrowing countries such as Mexico and Brazil.</p> <p>There is more discussion of policy and project documents in borrowing countries among civil society, the government and the Bank. One example was a series of discussions in Malawi on the Country Assistance Strategy (CAS). The CAS is the document which outlines the Bank's strategy and lending program in a country.</p>	<p>Access to documents at a country level is difficult as Resident Mission staff often are ill informed about the Disclosure Policy, which makes available staff appraisal reports on projects prepared after January 1, 1996. The Disclosure Policy still does not apply to IFC and MIGA.</p> <p>There is a contradiction between supporting participation in the CAS and keeping it a confidential document.</p> <p>Important documents are still unavailable in national languages. For example, Poverty Assessments which form the basis of the Bank's analysis of poverty in a country, are not available in Spanish in Central America, nor are most Staff Appraisal Reports.</p> <p>Operational directives (O Ds) , which are binding statements of Bank policy in areas such as resettlement, are being watered down in an ongoing review. Even prior to this review, social policy was ill defined. One illustration of this is that unlike environmental assessments, there is no formal procedure for social assessments and they are not part of standard practice. This raises serious questions about the Bank's commitment to equity. If the O Ds are weakened, it would become more difficult for citizen groups to make claims to the Inspection Panel. The Inspection Panel is an independent panel that has a mandate to investigate complaints by parties directly affected by projects for which official Bank policies were not followed.</p>

Equity and Poverty: C-

JDW COMMITMENTS	PROGRESS	COMMENTS
<p><i>"The distribution of the benefits of growth presents one of the major challenges to stability in the world today. Social injustice can destroy economic and political advances. We must learn more about the "why" and "how" of income distribution."</i> (Speech made by JDW at the October 1995 WB/IMF Annual Meetings)</p>	<p>The Review Initiative on structural adjustment programs (SAPs) is underway. The Bank is collaborating with various NGOs and governments in reviewing SAPs in ten countries. The Bank team has agreed to participate in a public discussion on poverty and adjustment in each of the countries.</p>	<p>Despite Wolfensohn's personal commitment, many Bank staff designing SAPs still avoid issues of distribution and focus exclusively on economic growth. The design and content of adjustment programs has not fundamentally changed to deal with issues of control over productive resources (i.e. land, irrigation and other inputs, savings and credit facilities).</p>
<p><i>"...My objective is to ensure that economic reform programs make maximum contribution to poverty reduction, that we fully appreciate the impact of reform on disparate population groups, that we promote measures which narrow income differentials, and that we encourage governments to consult and debate with civil society on policy reforms."</i> (Letter from JDW to NGOs and academics inviting them to a discussion on the social impact of Bank-financed adjustment programs, 4/9/96)</p>	<p>In the past year, Country Assistance Strategies (CASs) in the Africa Region have made "significant improvements" in linking concerns about poverty to the overall strategy. ("A Review of the Focus on Poverty Reduction in FY96 CASs in the Africa Region" World Bank draft report, 8/12/96)</p> <p>A Social Policy Review was commissioned in early 1996.</p>	<p>Although it is welcome that CASs now make mention of poverty, they still fail to indicate how and whether economic reform policies will benefit poor people. Both the May 1996 and August 1996 reviews of Africa Region CASs by the Bank found that discussion of how the proposed policies and expected growth would benefit the poor was absent. Even a Bank evaluation found that in countries where growth is high, it has generally failed to contribute to equity (Operations Evaluation Department "The Social Impact of Adjustment," October 1995).</p> <p>The Review found that the Bank does not have the appropriate skills mix to successfully deal with poverty and equity. The ratio of economists to social scientists is 28:1 and social scientists are relatively weak in influencing policy.</p>

Access to Basic Health and Education: C

JDW COMMITMENTS	PROGRESS	COMMENTS
<p><i>“What we clearly want to do is to improve people’s access to basic health and education, particularly for the poor.”</i> (Letter from JDW to Oxfam UK/I 7/12/95)</p>	<p>The Bank expects to increase its annual education lending by about 20% to \$2.5 billion over the next five years. Of this, \$900 million per year has been committed for women’s education.</p>	<p>Although the Bank has increased spending, this has not necessarily increased access of poor people to these services.</p>
<p><i>“Where user fees are concerned, I personally agree that nobody should be asked to pay for these essential human services when they cannot afford them.”</i> (Letter from JDW to Oxfam UK/I 7/12/95)</p>	<p>In March 1996, the Bank’s Africa Region prepared a paper on cost recovery in health and education, stating that “fees should be discouraged unless adequate protection for the poor is assured.” (“The Poor and Cost Sharing in the Social Sectors of Sub-Saharan Africa” March 1996, Africa Technical Dept, The World Bank)</p>	<p>The Bank has a history of supporting revenue generation over increasing access to basic services. For example, in Uganda, a country with some of the worst social indicators in Africa, the Bank has supported cost recovery policies that operate in primary health and primary education. The Bank is funding a US health economist in Uganda, who has been a proponent of cost recovery through fees for primary services.</p>

Multilateral Debt: B+

JDW COMMITMENTS	PROGRESS	COMMENTS
<p><i>“We will work with the IMF and others to help resolve the issue of multilateral debt for the most highly indebted, poorest countries.”</i> (Speech by JDW at WB/IMF Annual Meetings, 10/95)</p>	<p>Has challenged the Bank’s traditional position on multilateral debt. Is pressing for a comprehensive solution that reduces debt of the poorest countries to sustainable levels.</p> <p>Has set up a Trust Fund with an initial \$500 million to fund the Bank’s contribution.</p>	<p>JDW’s efforts are to be applauded and the Bank has proposed significant funding. However, the time frame for the reduction to take place is too long and eligibility is too linked to SAPs. Despite his efforts, JDW’s work on debt won’t amount to much without the cooperation of the IMF and the Paris Club.</p>

Changing World Bank Culture: B-

JDW COMMITMENTS	PROGRESS	COMMENTS
<p><i>"We must focus on our clients and results, and break the armlock that, I sense, bureaucracy has placed on this institution...in short, creating a results culture."</i> (Speech by JDW at WB/IMF Annual Meetings, 10/95)</p>	<p>JDW has performed an overhaul of personnel policies and challenged senior management about the "lack of trust" and "cynicism" that pervades the Bank. He hopes to change Bank culture by instituting staff incentives that emphasize project performance and success in poverty reduction over moving money.</p> <p>A Quality Assurance Group has been created to audit samples of lending and non-lending operations. The QAG is intended to help remedy projects and plans to systematically involve NGOs in the auditing of operations (News & Notices for World Bank Watchers, #14, July 1996)</p> <p>On his trips to visit borrowing countries of the Bank, JDW has met with NGOs and visited the sites of their projects - the first World Bank President to make such visits a priority.</p>	<p>Efforts to change the Bank's internal incentives, style and management are difficult yet critical to ensure that changes in operations will be more than superficial.</p> <p>It is unclear how the QAG will measure its success and the definition of quality employed does not incorporate measures of sustainable development. It is still early to judge these efforts but there are mixed signals about whether the Bank is really prepared to be more accountable to concerns about poverty and equity.</p> <p>JDW has changed the tone and style of dialogue that Bank staff have with external players. Bank staff who were previously inaccessible now meet with NGOs and civil society. There is a danger however, that without feedback about change, these meetings will be seen as tokenistic.</p>

Oxfam International is made up of nine aid agencies that operate throughout the developing world: Oxfam America, Oxfam Belgium, Oxfam Canada, Community Aid Abroad (Australia), Oxfam Hong Kong, Netherlands Organization for International Development Cooperation (NOVIB), Oxfam New Zealand, Oxfam Quebec and Oxfam United Kingdom and Ireland. Please call or write to any of the agencies for further information.

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filed NGA

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
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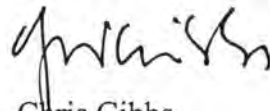
September 20, 1996

Mr. Alexandre Khan
Executive Secretary
World View
5 Passage Piver
75011 Paris, France

Dear Mr. Khan,

On behalf of Mr. Francisco Aguirre-Sacasa, Director of Operations Evaluation, I want to thank you for the information package about World View received today. As you know, the World Bank has worked with NGOs through its borrowers for more than 20 years, and there has been a sharp increase in the amount of NGO involvement in Bank-supported development projects in the last five years. For this reason, the Operations Evaluation Department will undertake over the coming years its own evaluation of the contribution of NGOs to development effectiveness in Bank-supported work. When we have findings, we would be happy to share them with your organization and others concerned with NGO effectiveness and performance evaluation.

Yours sincerely,



Chris Gibbs
Acting Chief

Agriculture and Human Development Division
Operations Evaluation Department

bcc: Messrs. Aguirre-Sacasa (OEDDR), Slade (OEDD1)



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96 SEP 25 PM 4: 20

UNIVERSITY OF MARYLAND AT COLLEGE PARK **DGO**

COLLEGE OF BEHAVIORAL AND SOCIAL SCIENCES • DEPARTMENT OF GOVERNMENT AND POLITICS

FAS/RS/CG

we appreciate
your views and
a draft response



September 15, 1996

Mr. Robert Picciotto
The World Bank
1818 H Street, NW
Washington, DC 20036

Dear Mr. Picciotto:

I am enclosing a brief comment which I have sent to the book review editor of *Finance and Development*, responding to your review of my book *The World Bank and NGOs: The Limits of Apolitical Development*. I appreciate that you've taken the time to review the book, and of course I was glad to have notice given in *Finance and Development*.

OTS
9/27

You suggest in the review's last paragraph that you see opportunity for greater dialogue with NGOs about the issues NGOs (and donors) face in preserving NGOs' independence and accountability to their constituents while deepening their relationships with donors such as the World Bank. I too think such a dialogue could be valuable. I am currently involved, with support from the John D. and Catherine T. MacArthur Foundation, in a study of one aspect of this issue: accountability, representativeness, legitimacy and conflict management in trans-national NGO networks that seek to influence the World Bank. I enclose a paper on the subject. I hope that we in the NGO world can bring ourselves to be as self-critical as we are free with our criticism of government and donors.

Speaking only for myself at this point, I would be most interested to see some more effective and reciprocal discussions between NGOs and the Bank in which Bank participants could feel freer to take off the kid gloves and offer some criticisms they surely must have of the international NGO community, and NGOs could explore ways in which organized citizen monitoring of the impact of Bank-financed government projects could be made more effective and more influential.

I hope you will feel free to contact me should you wish to comment further on the book, my response, these issues regarding NGO advocacy, or any other matters.

With best wishes.

Sincerely,

Paul J. Nelson
Visiting Research Scholar
email pnelson@bss2.umd.edu

OFFICE MEMORANDUM

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96 SEP 27 AM 8: 56

DGO

DATE: September 26, 1996

TO: Mr. Andres Liebenthal, OEDD3

FROM: Christopher Gibbs, OEDD1

EXTENSION: 31735

SUBJECT: **Dialogue with NGOs and others on large dams.**

Attached is one-page c.v. of Tony Dorcey, of the University of British Columbia. Tony Dorcey is the person I suggested to you as a potential advisor on how to design and conduct a dialogue on large dams with NGOs and others, when we met with the DGO and our Director earlier this year. I recommend Tony for of his skill and experience in mediation and dispute resolution in water and natural resources issues.

I believe he would recommend that, if you want a constructive dialogue on the first-phase of the large dams report, you should:

- (i) get a diversity of views around the table, including representation from our biggest potential critics;
- (ii) have a well-respected and technically knowledgeable individual from outside the Bank facilitate the dialogue;
- (iii) lay the groundwork for the dialogue by discussing the topic with the various parties individually before the actual dialogue takes place;
- (iv) learn in advance, in detail, where the potential minefields are and where people are likely to be intransigent;
- (v) give yourself the opportunity to halt the process if it becomes too hot; and
- (vi) know in advance what kind of commitment you are willing to make to take on board the views of others if the second phase of the study goes ahead.

If you want professional advice of this kind, on what you might do and how you might do it, I know that Tony Dorcey would be most willing to talk to you about it.

Attachment.

cc: Messrs. Picciotto, Aguirre-Sacasa, and Slade.

Anthony H. J. (Tony) Dorcey
Professor, School of Community and Regional Planning &
Westwater Research Centre, Institute for Resources and Environment,
The University of British Columbia
Tel: 604 822 5725. Fax: 604 737 2167. Email: dorcey@unixg.ubc.ca

Professor Dorcey was born in Cambridge, England. He has degrees in Economic Science from Aberdeen University, Scotland (MA, 1969) and in Regional Planning from the University of Wisconsin, USA (MS, 1971). In 1971 he was a founding member of the Westwater Research Centre at the University of British Columbia. In 1980 he began a joint appointment in the School of Community and Regional Planning where he is presently a Professor offering graduate courses on planning, negotiation and mediation in the management of water and natural resources. In 1992 he took a two-year leave from Westwater, to serve as the first Chair of the Board for the Fraser Basin Management Program. Since 1995, he has also held a joint appointment as a Professor in the Institute for Resources and Environment.

He is an author or editor of 9 books and a wide variety of other publications on the design of policies and institutional arrangements for managing water and associated natural resources. In recent years much of his research has focussed on negotiation and mediation in natural resources planning and management and innovations in governance for integrated regional and watershed management. Last fall, he presented a keynote paper at ANZAAS'95 reviewing catchment management innovations around the world.

During 1988-92 he was the director of a major research project at Westwater on the practical application of sustainable development principles to the management of water in large river basins using the Fraser River Basin in British Columbia as a case study. The project team involved a diverse array of academics and government professionals from both the natural and social sciences in the production of 2 books including the use of GIS analyses and a video for TV. He is the editor of the first book, which is a collection of 18 contributed background papers, that has been published under the title *Perspectives on Sustainable Development in Water Management: Towards Agreement in the Fraser River Basin* (1991). He is also the editor of the second book - *Water in Sustainable Development: Exploring Our Common Future in the Fraser River Basin* (1991) - which assesses the state of sustainability in the Fraser Basin and recommends changes in management strategies and its governance.

He has been an advisor to the governments of British Columbia, Canada and Australia and the OECD. Through Westwater he was involved during the 1980s in the development of a CIDA funded training program for water resources management in Peru. He was a member of the B.C. Round Table on the Environment and the Economy from its inauguration in 1990 to its conclusion in 1994 and is a founding member of the recently established B.C. Council for Sustainability. He is a member of the Canadian Institute of Planners, Canadian Water Resources Association and Society of Professionals in Dispute Resolution.

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 23, 1996 04:11pm

TO: See Distribution Below

FROM: Robert Picciotto, DGO (ROBERT PICCIOTTO)

EXT.: 84569

SUBJECT: Large Dams

First, congratulations for a very smooth CODE meeting reflecting a lot of hard work on the report and good coordination with other units.

Precis

Since the precis is the only publication planned for the immediate future, please review the current draft to see if it is comprehensive enough. Also ensure a very thoughtful treatment of the CODE meeting in the precis and do not to rely only on the telegraphic minutes coming out of SEC. I would like to see the final draft of the precis in due course.

Workshop

The time has now come to move toward setting up the agenda, location, composition, funding and timing for the workshop. I have talked to Andrew Steer and we have agreed that the next step ought to be a meeting between OED and ENV to discuss follow up. Accordingly, I suggest that the two Directors should get together with the concerned staff. IFC participation is desirable.

In preparation for this meeting, please prepare a note for my review and comment covering your ideas regarding the next steps on the workshop, the proposed agenda and your ideas as to participation. Get something on paper fast even it has many gaps. This will need a great deal of interaction and fine tuning before it is put to bed.

Based on the upshot of the meeting, a letter to IUCN should be drafted including a copy of the report and making a proposal for their reaction.

DISTRIBUTION:

TO: Francisco Aguirre-Sacasa	(FRANCISCO AGUIRRE-SACASA)
TO: Yves Albouy	(YVES ALBOUY)
TO: ANDRES LIEBENTHAL	(ANDRES LIEBENTHAL @A1@WBHQB)
CC: Pablo Guerrero	(PABLO GUERRERO)
CC: Rachel Weaving	(RACHEL WEAVING)



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Mr. Robert Picciotto
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OTS

9/25

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We would be interested in knowing your reactions to our Report Card.

Sincerely yours,

Veena Siddharth
Economic and Social Advocacy Officer
Oxfam International

A L L - I N - 1 N O T E

DATE: 20-Sep-1996 05:11pm

TO: See Distribution Below

FROM: Marta Cervantes, LA3DR

(MARTA CERVANTES@A1@WBHQB)

EXT.: 37794

SUBJECT: NGO PROFILE MEETING

Please note that the above mentioned meeting's room and time has changed to:

10:30am

E-6088

The date remains the same Sept. 26.

Sorry for the inconvenience.

Regards, Marta

DISTRIBUTION:

TO: Edison Palomeque	(EDISON PALOMEQUE@A1@ECUDOR)
TO: SUMAN BERY	(SUMAN BERY@A1@WBHQB)
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TO: Marcelo A. Romero	(MARCELO ROMERO@A1@ECUDOR)
TO: Edison Palomeque	(EDISON PALOMEQUE@A1@ECUDOR)
TO: CHARLOTTE JONES-CARROLL	(CHARLOTTE JONES-CARROLL@A1@WBHQB)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 20, 1996 04:42pm

TO: Yves Albouy (YVES ALBOUY@A1@WBWASH)

FROM: Andres Liebenthal, OEDD3 (ANDRES LIEBENTHAL@A1@WBHQB)

EXT.: 82507

SUBJECT: RE: Large dams to CODE

Just to complement Yves' em, I spoke with John Clark & Najmad Sadiqi of the NGO unit re NGO involvement in large dams roundtable and phase 2 partnerships. The suggested IUCN would be a good host, provide a format that creates trust. Alternative options include WWF and IIED. There has been some good partnership experience with NGOs in connection with the Lesotho Highlands, Ghazi Baroda and Yacyreta large dams, which could be represented at the roundtable.

However, before we get too far along this route, we need to talk about budget/timing, etc., as it quickly runs into the six figures.

Andres

CC: Robert Picciotto (ROBERT PICCIOTTO@A1@WBWASH)
CC: Francisco Aguirre-Sacasa (FRANCISCO AGUIRRE-SACASA@A1@WBWASH)
CC: Aracely Barahona-Strittmatter (ARACELY BARAHONA-STRITTMATTER@A1@WBWASH)
CC: OEDD3 Files (OEDD3 FILES@A1@WBWASH)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 19, 1996 03:50pm

TO: Alcira Kreimer (ALCIRA KREIMER@A1@WBWASH)

FROM: John D. Clark, PSP (JOHN D. CLARK@A1@WBHQB)

EXT.: 31840

SUBJECT: RE: Meeting with European NGOs and German Parliamentarian

May I suggest a very informal format for the meeting, in question and answer mode, with only very brief introductory remarks from you, Mr. Picciotto.

You know what parliamentarians are like. Though they often give speeches, they don't like listening to them. In this case Mr. Schmidt will have some very specific questions which he would like to put to you, then you respond, some discussion, and on to the next topic. This is a fairly common mode of parliamentary enquiry, though of course there will also be the NGOs joining in.

CC: Robert Picciotto (ROBERT PICCIOTTO@A1@WBWASH)
CC: Francisco Aguirre-Sacasa (FRANCISCO AGUIRRE-SACASA@A1@WBWASH)
CC: Yves Albouy (YVES ALBOUY@A1@WBWASH)
CC: Christopher Gibbs (CHRISTOPHER GIBBS@A1@WBWASH)
CC: OEDD3 Files (OEDD3 FILES@A1@WBWASH)

A L L - I N - 1 N O T E

DATE: 19-Sep-1996 12:04pm

TO: ROBERT PICCIOTTO

(ROBERT PICCIOTTO@A1@WBWASH)

TO: RACHEL WEAVING

(RACHEL WEAVING@A1@WBWASH)

FROM: John D. Clark, PSP

(JOHN D. CLARK@A1@WBHQB)

EXT.: 31840

SUBJECT: Some further background on the German Parliamentarian/NGCs

The attached, from the Counselor for Germany, in our Paris office may be useful.

John

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 19, 1996 12:10pm EST

TO: KRIS MARTIN (KRIS MARTIN@A1@WBWASH)

FROM: Claudia von Monbart, EXTEU (CLAUDIA VON MONBART@A1@PARIS)

EXT.:

SUBJECT: NGO/ MP visit

Kris, John,

thanks for informing me. Schmidt is what we call a "realo" Green, wouldn't call if right wing. They are the less ideological and practical ones. As a matter of fact, he is very constructive and interested and we had lots of meeting with him (also with JDW and Linn, etc). We also provide info for his trips (last one, I believe to Ecuador). He was also in the HIPIC seminar mentioned in my BTOR. Unmuessig is very active, but has become much more reasonable and constructive. Schuecking is still in more more bashing mood. Anyhow, it is very important that they get to know the Bank and have a chance to see Bob Picciotto.

Let me know if you need any further info.

Claudia

CC: JOHN D. CLARK (JOHN D. CLARK@A1@WBHQB)

CC: Petra Touam (PETRA TOUAM@A1@PARIS)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 16, 1996 12:23pm EST

TO: Nicholas Van Praag (NICHOLAS VAN PRAAG@A1@PARIS)

FROM: Claudia von Monbart, EXTEU (CLAUDIA VON MONBART@A1@PARIS)

EXT.:

SUBJECT: BTOR, Bonn Sept. 9 and 10, 1996

Nick,

I accompanied Caio Koch-Weser to Bonn and also had meetings, together with Emile Sawaya, AFTP1, at BDI about our SADC initiative (separate report).

Following this visit, I went to Baden Wuerttemberg for a teacher-of teachers' seminar on development. I will also write a separate note about this.

Caio had an extensive program visiting Bonn for the first time as Managing Director. For most of his visit he was accompanied by the new ED, Dr Schaffer. Furthermore, he addressed the "Pilot Program to conserve Brazilian Rain Forests'" Meeting and a mixed seminar on the HIPIC initiative.

1. Meeting with Bitterlich: I was not present due to my flight delay. Apparently went very well and will be followed-up. Bitterlich seems interested in keeping close contact.

2. The Joint Conference Church and Development (Dr Kulesa) and the Foundation Development and Peace (Dr Koenitzer) organised a workshop on multilateral debt and the German position. Caio's and Dr Schaffer's presence in Bonn were a happy coincidence. A couple of important MPs and NGO representatives attended, as well as academia and media.

The official German position was presented by Roeskau, MoF (Paris Club: 80% in selected cases, Trust Fund: good, but not enough and not financed by Germany, ESAF: re-examine credit-side, no gold sales on refinance side) and was foreseeingly not acclaimed by the audience. Caio then rapidly presented the latest stand (bigger 3 plus 3 flexibility, result-oriented debt relief, social conditionality) and emphasized the complementary nature of the initiative (Paris Club, IMF, MDBs). He also underlined the Bank's responsiveness to its client by embarking on this initiative and how important it was to have listened to queries of fora like this one.

B. Unmuessig from WEED, talking on behalf of the NGOs, congratulated the Bank for leading the initiative and was full of

praise, apart from some specific critical points like selectivity and sustainability criteria. She agreed in attaching highest importance to the Paris Club actions within the overall initiative. Prof. Hauchler, SPD MP, was the only critical voice saying that all this was not enough and a general debt relief the only possible solution as debt is the cause for development stagnation. His interventions were not very substantial.

In conclusion, the Bank came out very nicely as an ally to the ones concerned about multilateral debt and Caio's presence was an extra plus on our account. One could not have imagined such a harmonious Bank-NGO partnership 3 years ago.

3. Meeting with State Sec. v. Ploetz/ Foreign Office: First time we met him and after some initial reserve, v. Ploetz showed interest and understanding especially focussing on countries in the East like Ukraine and Russia. He welcomed close collaboration and encouraged future visits. As far as Bosnia is concerned, he was interested in a joint "lessons learned" session. Another country he showed concern about was Turkey.

4. Meeting with State Sec. Hedrich/ Min Coop: very friendly and collaborative meeting. Hedrich has become a really close ally of the Bank. He started out commenting the austerity budget situation with the aid budget suffering from a further cut by 1.4 %. The discussion then concentrated on ECA development. He showed special interest in areas of prevention and post-conflict intervention. (Follow-up: Caio promised the post conflict policy paper). On Egypt, he promised to informally sound out the possibility of future donor mechanisms among the 5 most important ones. Hedrich plans to visit the US at the beginning of 97.

5. Meeting with Min Coop: Caio had a private dinner with Schaffer, Kurth and Boehmer talking mostly about the change agenda. From what I gathered the dinner was very friendly and helpful in getting some understanding for our change process.

6. Meeting with Min Coop Min. Spranger and staff: Spranger welcomed Caio's role in the Tropical forest meeting and emphasized the importance of external affairs work in Germany, where even more should be done in the area of environment. Generally, tensions have much ceased and the debate is much less ideologized than a few years ago. Caio briefly informed about the future GEF replenishment and also about Dolzer's work for the Bank on the institutional framework. The discussion then touched on the HIPIC initiative, on the German Forum in Berlin (where he intends to come), on Middle East, and on Turkey and water. Caio also presented our internal change process and mentioned extra budgetary implications of staff training to ensure first class expertise.

7. Opening of Tropical Rainforest Meeting: Caio's key note speech was well received, the meeting was successful - according

responsible colleagues (Nankani, Diewald, Bertao, Lisansky) and widely covered in the press. Caio gave an interview to Mexican TV Televisa (aired allover LA). Spranger hosted a lunch for all participants and Caio had another opportunity to talk with him.

8. Meeting with Mr Schweiger, Min Coop: Tour d'horizon on a regional basis, focussing again on Egypt, China, ECA, Middle East, Yemen. Schweiger recommended to work more closely with the responsible members of the Bundestag budget committee (v. Schmude and Schnell) on a one to one basis (I will organise future meetings).

9. Meeting with H.P. Repnik, Leading CDU member and former State Sec. CDU: Repnik is still interested in development issues and is a first class CDU contact leading directly to Schaeuble. He is interested in institutional change and initiated a top level private-public commission on the lean state (Schlanker Staat) headed by Prof. R Scholz in Berlin. He would be interested in having a joint session with the Bank on institutional change (and the role of the state). I will keep in touch with his office and we should help organise such an event. He would prefer to first embark on such a German exercise. I think this represents an ideal forum for us to exchange ideas, place messages, and learn from others. In view of Caio's Bonn briefing on the one hand side and this lean state/ reform initiative, I believe we should revisit the issue of the European change seminar in Paris. I will discuss with Ngozi.

Claudia

CC: CAIO KOCH-WESER	{ CAIO KOCH-WESER@A1@WBWASH }
CC: JANE KIRBY	{ JANE KIRBY@A1@WBWASH }
CC: VORAPAKTRA YONGPRADIT	{ VORAPAKTRA YONGPRADIT@A1@WBWASH }
CC: JOHANNES LINN	{ JOHANNES LINN@A1@WBWASH }
CC: Petra Touam	{ PETRA TOUAM@A1@PARIS }
CC: PENNY CHOKECHAITANASIN	{ PENNY CHOKECHAITANASIN@A1@WBWASH }

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 19, 1996 09:57am

TO: Robert Picciotto (ROBERT PICCIOTTO)

FROM: Alcira Kreimer, OEDD3 (ALCIRA KREIMER)

EXT.: 33205

SUBJECT: Meeting with European NGOs and German Parliamentarian

Would you like to have an internal meeting before September 30, concerning the strategy for the meeting mentioned above? I thought that you may want to have some transparencies and/or materials to show with findings from the EA/NEAP study and follow-up action. I understand from John Clark's e.m. that their main concerns center around how is the Bank dealing with environmental issues.

Please let me know. Thank you.

CC: Francisco Aguirre-Sacasa (FRANCISCO AGUIRRE-SACASA)
CC: Yves Albouy (YVES ALBOUY)
CC: Christopher Gibbs (CHRISTOPHER GIBBS)
CC: JOHN D. CLARK (JOHN D. CLARK @A1@WBHQB)
CC: OEDD3 Files (OEDD3 FILES)

A L L - I N - 1 N O T E

DATE: 18-Sep-1996 07:24pm

TO: See Distribution Below

FROM: Edison Palomeque, (EDISON PALOMEQUE@A1@ECUDOR)

EXT.:

SUBJECT: NGO PROFILE MEETING

I want to inform you that the meeting to review the Ecuador NGO Profile Issues Paper has been changed for September 26, 1996, at 3:30 p.m., in Room Number I-7028. I apologize for any inconvenience caused by this change.

Thanks and kind regards.

DISTRIBUTION:

TO: SUMAN BERY	(SUMAN BERY@A1@WBHQB)
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TO: CLAUDIO VISCONTI	(CLAUDIO VISCONTI@A1@WBHQB)
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TO: Edison Palomeque	(EDISON PALOMEQUE@A1@ECUDOR)
TO: CHARLOTTE JONES-CARROLL	(CHARLOTTE JONES-CARROLL@A1@WBHQB)
TO: DOUGLAS BARNES	(DOUGLAS BARNES@A1@WBHQB)
TO: AUGUSTA DIANDERAS	(AUGUSTA DIANDERAS@A1@WBHQB)
TO: MICHAEL KLEIN	(MICHAEL KLEIN@A1@WBHQB)
TO: IOANNIS KESSIDES	(IOANNIS KESSIDES@A1@WBHQB)
TO: DIRK MATTHEISEN	(DIRK MATTHEISEN@A1@EDSEL)
TO: MICHAEL BRUNO	(MICHAEL BRUNO@A1@WBHQB)
TO: MARK BAIRD	(MARK BAIRD@A1@WBHQB)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 18, 1996 05:39pm

TO: Robert Picciotto (ROBERT PICCIOTTO)

FROM: Rosa Maria Wiemann, DGO (ROSA MARIA WIEMANN)

EXT.: 84572

SUBJECT: Meeting with German Parliamentarian and European NGOs
September 30 - 3:00 pm

The meeting will be in the Warren Room of the Sheraton Washington Hotel (first floor). The room holds as many as 30 people and you have it until 4:30 pm. They did not have a smaller room available. Mr. John Clark has been notified.

CC: Francisco Aguirre-Sacasa (FRANCISCO AGUIRRE-SACASA)

CC: Alcira Kreimer (ALCIRA KREIMER)

CC: Christopher Gibbs (CHRISTOPHER GIBBS)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 18, 1996 01:48pm

TO: Francisco Aguirre-Sacasa (FRANCISCO AGUIRRE-SACASA)

FROM: Robert Picciotto, DGO (ROBERT PICCIOTTO)

EXT.: 84569

SUBJECT: Meeting with German Parliamentarians

I would like Chris Gibbs and Alcira Kreimer to join me in this meeting. You too, if you have the inclination.

By the way, how are the preparations going for the Learning Group retreat ?

CC: Rosa Maria Wiemann (ROSA MARIA WIEMANN)

CC: DGO Files (DGO FILES)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 18, 1996 01:40pm EST

TO: ROBERT PICCIOTTO (ROBERT PICCIOTTO@A1@WBWASH)

FROM: John D. Clark, PSP (JOHN D. CLARK@A1@WBHQB)

EXT.: 31840

SUBJECT: Meeting with German Parliamentarian and European NGOs

Thank you very much for agreeing to meet with Wolfgang Schmidt, the German member of Parliament for the Green Party who is shortly visiting Washington with a German parliamentary delegation (to meet with US government and Washington-based institutions). I confirm that the meeting will be on Monday September 30 at 3:00pm in a conference room (which Ms. Wiemann is arranging) at the Sheraton Hotel.

Mr. Schmidt has taken a strong (and critical) interest in the World Bank in recent years, and has a close relationship with German, Italian and other European NGOs on "World Bank reform". He is, I gather, well informed about the Bank and has found the OED reports particularly helpful and insightful.

While he is in Washington he will be interacting with a group of (mostly) European advocacy NGOs who are here because of the Annual Meetings. He is keen to meet with you (and perhaps other staff) of OED - together with his NGO colleagues. He wants to discuss, in particular, how, in your view, are the recommendations and major findings of OED studies being acted on by the Bank.

The NGOs who will be accompanying him are:-

Heffa Schucking, URGEWALD, Germany
Barbara Unmussig, WEED, Germany
Katrin Seifert, EURONATURE, Germany
Francesco Martone, Campagna per la Riforma della Banca Mondiale
(Italy)
Bruce Rich, Environment Defense Fund, USA

I gather that Mr. Schmidt is regarded as "on the right wing" of the Green Party (sounds like a contradiction to me!) - and as such has some considerable influence with the German Government.

I will leave it to you to invite other OED staff. I expect that their major interests will be on environmental concerns and on follow-up to the Wapenhans report.

With thanks

John

CC: ROSA MARIA WIEMANN
CC: RACHEL WEAVING
CC: KRIS MARTIN
CC: NATHALIE LENOBLE
CC: KATHERINE BAIN
CC: CLAUDIA VON MONBART

(ROSA MARIA WIEMANN@A1@WBWASH)
(RACHEL WEAVING@A1@WBWASH)
(KRIS MARTIN@A1@WBWASH)
(NATHALIE LENOBLE@A1@WBWASH)
(KATHERINE BAIN@A1@WBWASH)
(CLAUDIA VON MONBART@A1@PARIS)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 18, 1996 01:40pm

TO: ROBERT PICCIOTTO (ROBERT PICCIOTTO@A1@WEWASH)

FROM: John D. Clark, PSP (JOHN D. CLARK@A1@WBHQE)

EXT.: 31840

SUBJECT: Meeting with German Parliamentarian and European NGOs

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(Italy)
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I will leave it to you to invite other OED staff. I expect that their major interests will be on environmental concerns and on follow-up to the Wapenhans report.

With thanks

John

CC: ROSA MARIA WIEMANN
CC: RACHEL WEAVING
CC: KRIS MARTIN
CC: NATHALIE LENOBLE
CC: KATHERINE BAIN
CC: CLAUDIA VON MONBART

(ROSA MARIA WIEMANN@A1@WBWASH)
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(KATHERINE BAIN@A1@WBWASH)
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NGO



RECEIVED

1511 K Street, NW, Suite 1044, Washington, DC 20005

Phone 202/393-5332, 202/393-5333 • Fax 202/783-8739 • e-mail oxfamintdc@igc.apc.org

96 SEP 19 PM 1:22

September 17, 1996

DGO

Mr. Robert Picciotto
Director-General
Operations Evaluation Department
The World Bank
1818 H St. NW
Washington DC 20433

Dear Mr. Picciotto:

I am writing to enclose a "Report Card" on Mr. Wolfensohn and the World Bank, produced by Oxfam International. The Report Card assesses the progress both have made in the last fifteen months. We realize that fifteen months is much too soon to see substantive changes in the operations of an institution as large and complex as the World Bank. Still, we have tracked indicators of change in areas important to us as a network of development NGOs.

We are impressed with the increased openness of the Bank and its greater willingness to engage with civil society. We also welcome the greater focus on poverty in Country Assistance Strategies and Economic and Sector Work. Nonetheless, we feel the Bank still places too much of a focus on economic growth without sufficiently examining the effects of growth on poor people. Although we agree that economic growth is an essential component of poverty reduction, we believe it is also essential to ensure that poor people have access to productive resources such as land, financial services and secure employment, that enable them to participate in the economy.

The Report Card is not meant to be a comprehensive review of either Mr. Wolfensohn or of the Bank. Our purpose is to recognize the progress he has made in his tenure and at the same time urge him, the Executive Board and senior staff to devote their energies to making progress on equity and poverty issues in the coming months.

We would be interested in knowing your reactions to our Report Card.

Sincerely yours,

Veena Siddharth
Economic and Social Advocacy Officer
Oxfam International

Report Card On

**James D. Wolfensohn
& The World Bank**

Oxfam
International

Report Card

James D. Wolfensohn and the World Bank

June 1995 - August 1996

This "Report Card" is a review of the commitments James D. Wolfensohn (JDW) has made and the change that has occurred in the World Bank since he took over in June, 1995. Fifteen months is clearly not enough time to change an entrenched bureaucracy or persuade powerful interests in donor and borrower governments that change is necessary. Yet, it was Wolfensohn himself who said "Judge me after a year". Oxfam International's aim with this report card is to measure what has *actually changed*, on a number of select issues of concern to us as development NGOs, along with the effort and commitment shown by Wolfensohn to bring about change.

The Bank that Wolfensohn took over last year is criticized from all sides. NGOs have attacked the Bank for giving short shrift to poverty and human development. Conservative politicians censure the Bank for being a bloated bureaucracy that uses tax revenue to do what the private sector could do more efficiently. On top of these problems, IDA, the Bank's soft loan window for the poorest countries, has been dramatically cut. Wolfensohn indicated at an early stage that he aspires to be a reforming President. He pledged to change the "culture" of the Bank, put anti-poverty measures at the heart of the Bank's agenda and measure staff by "results on the ground."

So far, he has made progress on participation and debt -- perhaps an indication of what is possible under his more dynamic Presidency. In other areas, the achievements do not yet match the rhetoric. Although Wolfensohn has spoken eloquently and persuasively on gender and equity, Bank-sponsored adjustment programs have still not significantly changed to address these areas. There is still little discussion of how economic growth can benefit poor men and women. The real test of whether Wolfensohn will be a reforming president is whether the Bank promotes economic development that involves poor people, increases their access to decision makers and distributes the benefits of growth more equitably.

SUBJECT	GRADE	COMMENTS
Participation	B	Making progress but his staff have yet to understand that participation and information sharing are two different things.
Gender	B-	Needs to ensure that his strong personal commitment translates to change in the Bank's programs.
Transparency & Accountability	C	Increased openness of Bank staff in Washington, but staff outside Washington still reluctant to share information. Bank policy guidelines are being weakened.
Equity & Poverty	C-	Says the right things and has taken important steps but the Bank's programs have yet to change.
Access to Health & Education	C	Rhetoric and reality don't match.
Reduction of Multilateral Debt	B+	Has made significant progress and demonstrated leadership, showing what he can accomplish when he sets his mind to it.
World Bank "Culture"	B-	Deserves recognition for taking on this difficult task, especially for trying to change staff incentives and rewards to reflect results rather than moving money. However, he has a long way to go.
Overall Grade	B-	Promising start, but World Bank action lags behind Wolfensohn rhetoric. Needs to focus more on equity and poverty.

Participation: B

JDW COMMITMENTS	PROGRESS	COMMENTS
<p><i>"I personally believe in the relevance of participatory approaches and partnerships in development and am committed to making them a way of doing business in the Bank." (Foreword to the Participation Sourcebook, February 1996)</i></p>	<p>In every World Bank office in Africa and Latin America, there is now a Bank-NGO officer whose sole function is to work in conjunction with NGOs and other parts of civil society. JDW has a good record of meeting with NGOs to listen to and discuss their opinions and suggestions.</p> <p>Regional Vice Presidents at the Bank have selected 20 Bank-supported operations as best-practice examples of participation. Quarterly reports on these flagship participation projects are made to JDW.</p>	<p>Most of the NGO officers are new to the Bank and lack the authority to influence policies and projects. Steps to increase contacts with NGOs through monthly meetings are welcome but agendas for these Bank-NGO meetings are largely dictated by the Bank. Although NGOs are able to express their views better than before, this does not extend to shaping the lending program.</p> <p>The criteria for "best practice" is arbitrary and unclear. Some of the flagships were chosen because they employed techniques of participatory rural appraisal in design. This does not mean that projects are participatory. Civil society in borrowing countries has not been involved in selecting the flagships.</p>
<p><i>"I do...completely agree that it would be good practice for staff preparing a CAS to have intensive discussions with NGOs and others knowledgeable about poverty in order to draw on their 'local knowledge' in drafting it." (Letter from JDW to Oxfam UK/I, 7/12/95)</i></p>	<p>Javed Burki, VP of the LAC Region, agreed that 2-3 CASs in LAC would be "fully participatory." (News and Notices, Bread for the World, 7/96)</p> <p>All CASs going to the Board must indicate what participatory approaches involving civil society have been taken. (Wolfensohn's remarks to Oxfam International directors, 3/8/96)</p>	<p>There needs to be more accountability to those who participate. Some of the examples cited of participatory CASs would more accurately be termed selective information sharing, such as with the Bangladesh CAS where NGOs gave input but did not hear from Washington about the final product. In Vietnam, international NGOs were invited to discuss the draft CAS. The criteria and processes for selecting NGOs for consultation were unclear as was how written and verbal inputs were used. These attempts, while encouraging, need to be more transparent and move from consultation to participation.</p>

Transparency and Accountability: C

JDW COMMITMENTS	PROGRESS	COMMENTS
<p><i>"(I pledge to) increase openness, partnership, accountability, and effectiveness of the Bank."</i> (Speech by JDW at Oct. 1995 Annual Meeting of the Bank and International Monetary Fund)</p>	<p>Project Information Documents (PIDs), which summarize project information, are now available and are beginning to be translated into the language of the host country.</p> <p>There are Public Information Centers in Washington, Tokyo, London and Paris with plans for centers in borrowing countries such as Mexico and Brazil.</p> <p>There is more discussion of policy and project documents in borrowing countries among civil society, the government and the Bank. One example was a series of discussions in Malawi on the Country Assistance Strategy (CAS). The CAS is the document which outlines the Bank's strategy and lending program in a country.</p>	<p>Access to documents at a country level is difficult as Resident Mission staff often are ill informed about the Disclosure Policy, which makes available staff appraisal reports on projects prepared after January 1, 1996. The Disclosure Policy still does not apply to IFC and MIGA.</p> <p>There is a contradiction between supporting participation in the CAS and keeping it a confidential document.</p> <p>Important documents are still unavailable in national languages. For example, Poverty Assessments which form the basis of the Bank's analysis of poverty in a country, are not available in Spanish in Central America, nor are most Staff Appraisal Reports.</p> <p>Operational directives (O Ds) , which are binding statements of Bank policy in areas such as resettlement, are being watered down in an ongoing review. Even prior to this review, social policy was ill defined. One illustration of this is that unlike environmental assessments, there is no formal procedure for social assessments and they are not part of standard practice. This raises serious questions about the Bank's commitment to equity. If the O Ds are weakened, it would become more difficult for citizen groups to make claims to the Inspection Panel. The Inspection Panel is an independent panel that has a mandate to investigate complaints by parties directly affected by projects for which official Bank policies were not followed.</p>

Access to Basic Health and Education: C

JDW COMMITMENTS	PROGRESS	COMMENTS
<p><i>"What we clearly want to do is to improve people's access to basic health and education, particularly for the poor."</i> (Letter from JDW to Oxfam UK/I 7/12/95)</p>	<p>The Bank expects to increase its annual education lending by about 20% to \$2.5 billion over the next five years. Of this, \$900 million per year has been committed for women's education.</p>	<p>Although the Bank has increased spending, this has not necessarily increased access of poor people to these services.</p>
<p><i>"Where user fees are concerned, I personally agree that nobody should be asked to pay for these essential human services when they cannot afford them."</i> (Letter from JDW to Oxfam UK/I 7/12/95)</p>	<p>In March 1996, the Bank's Africa Region prepared a paper on cost recovery in health and education, stating that "fees should be discouraged unless adequate protection for the poor is assured." ("The Poor and Cost Sharing in the Social Sectors of Sub-Saharan Africa" March 1996, Africa Technical Dept, The World Bank)</p>	<p>The Bank has a history of supporting revenue generation over increasing access to basic services. For example, in Uganda, a country with some of the worst social indicators in Africa, the Bank has supported cost recovery policies that operate in primary health and primary education. The Bank is funding a US health economist in Uganda, who has been a proponent of cost recovery through fees for primary services.</p>

Multilateral Debt: B+

JDW COMMITMENTS	PROGRESS	COMMENTS
<p><i>"We will work with the IMF and others to help resolve the issue of multilateral debt for the most highly indebted, poorest countries."</i> (Speech by JDW at WB/IMF Annual Meetings, 10/95)</p>	<p>Has challenged the Bank's traditional position on multilateral debt. Is pressing for a comprehensive solution that reduces debt of the poorest countries to sustainable levels.</p> <p>Has set up a Trust Fund with an initial \$500 million to fund the Bank's contribution.</p>	<p>JDW's efforts are to be applauded and the Bank has proposed significant funding. However, the time frame for the reduction to take place is too long and eligibility is too linked to SAPs. Despite his efforts, JDW's work on debt won't amount to much without the cooperation of the IMF and the Paris Club.</p>

Oxfam International is made up of nine aid agencies that operate throughout the developing world: Oxfam America, Oxfam Belgium, Oxfam Canada, Community Aid Abroad (Australia), Oxfam Hong Kong, Netherlands Organization for International Development Cooperation (NOVIB), Oxfam New Zealand, Oxfam Quebec and Oxfam United Kingdom and Ireland. Please call or write to any of the agencies for further information.

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COLLEGE OF BEHAVIORAL AND SOCIAL SCIENCES • DEPARTMENT OF GOVERNMENT AND POLITICS

September 15, 1996

Mr. Robert Picciotto
The World Bank
1818 H Street, NW
Washington, DC 20036

Dear Mr. Picciotto:

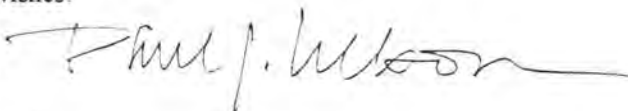
I am enclosing a brief comment which I have sent to the book review editor of *Finance and Development*, responding to your review of my book *The World Bank and NGOs: The Limits of Apolitical Development*. I appreciate that you've taken the time to review the book, and of course I was glad to have notice given in *Finance and Development*.

You suggest in the review's last paragraph that you see opportunity for greater dialogue with NGOs about the issues NGOs (and donors) face in preserving NGOs' independence and accountability to their constituents while deepening their relationships with donors such as the World Bank. I too think such a dialogue could be valuable. I am currently involved, with support from the John D. and Catherine T. MacArthur Foundation, in a study of one aspect of this issue: accountability, representativeness, legitimacy and conflict management in trans-national NGO networks that seek to influence the World Bank. I enclose a paper on the subject. I hope that we in the NGO world can bring ourselves to be as self-critical as we are free with our criticism of government and donors.

Speaking only for myself at this point, I would be most interested to see some more effective and reciprocal discussions between NGOs and the Bank in which Bank participants could feel freer to take off the kid gloves and offer some criticisms they surely must have of the international NGO community, and NGOs could explore ways in which organized citizen monitoring of the impact of Bank-financed government projects could be made more effective and more influential.

I hope you will feel free to contact me should you wish to comment further on the book, my response, these issues regarding NGO advocacy, or any other matters.

With best wishes.

Sincerely, 

Paul J. Nelson
Visiting Research Scholar
email pnelson@bss2.umd.edu

September 15, 1996

Book Reviews Editor
Finance and Development
1818 H Street, NW
Washington, DC 20433

To the editor:

Because *The World Bank and NGOs: The Limits of Apolitical Development* (reviewed September 1996) is about the World Bank itself, I feel compelled to comment on Robert Picciotto's review. The book raises issues that are important for the Bank, in a subtler and more analytic way, I hope, than a reader of the review might surmise.

The book's central thesis (which the review does not mention) is that the World Bank's relationship with NGOs simultaneously shows its most advanced social and environmental work and points up how its organizational structures, myths and information management systems limit its ability to respond to NGOs. The book draws on three schools of organizational sociology to identify constraints to change and limiting factors in organizational learning that make it difficult for the organization to embrace changes and innovations that are carried out at the margin.

One chapter discusses organizational learning and why it does not necessarily flow from accumulated experience and learning of individuals. Another seeks to give a theoretical account of the impulse to control the course of investments, a discussion which is relevant to the tension the Bank and other donors now wrestle with, between encourage policy change through conditionality and technical assistance, and promoting domestic national initiative and "ownership." In another I argue that the Bank's "apolitical" posture is vital for its policy influence, and that much of its dialogue with NGOs forces it to test the limits of this posture. These themes, which take up fully half of the book, were not mentioned.

Mr. Picciotto is, I gather, frustrated by the sloganistic nature of some external criticism of World Bank policy and practice. But when he attributes to me the claim that integration into the global economy is "inimical to the poor," he is capsulizing dozens of pages in which I critique rapid integration "on any terms," and argue that potent international influence has placed the central economic policy questions facing many societies beyond their citizens' influence.

A final thought about the nature and classification of NGOs. Mr. Picciotto regards my critique as typical of "advocacy NGOs" and urges a more effective dialogue with this "wing of the NGO movement." The NGOs for which I worked during the period of the writing exemplify the problem with such statements: both are US church-related development and relief agencies with more than 90 percent of their budgets and staff devoted to projects implemented in partnership with local and national partners. Like many other development and environment NGOs, these surely should strive to integrate their project experience and their advocacy more closely. But the fact that they articulate views to governments and intergovernmental organizations does not mean that they can be segregated from the community of NGOs of which they are a part. By way of analogy, does the World Bank become an "advocacy organization" rather than a donor when it adds broad policy dialogue to its development lending role?

I admire the determined and creative efforts of many within the Bank to stretch and even remake its organizational machinery and information systems, including Mr. Picciotto's persuasive arguments for a "new project cycle" (December, 1994, with Rachel Weaving). I hope that my own contribution will be read in the spirit in which it is offered: a critical look at the outer limits of the Bank's experiments in relating to NGOs.

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**Transnational NGO Networks in Global Governance:
Promoting "Participation" at the World Bank**

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Prepared for the
International Studies Association Annual Meetings
San Diego, California
April 16-20, 1996

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Networks of non-governmental organizations (NGOs) focused on humanitarian assistance, the environment, economic policy and human rights have become important actors in policy and funding debates for the multilateral development banks, particularly the World Bank. They have penetrated a domain of global cooperation and governance once managed solely by governments. They raise issues of global environmental impact, economic and social justice, political participation at the national level and the rights of minorities (sometimes majorities) generally excluded from national and global decision-making.

Much of the discussion of NGO roles in international governance, and in the World Bank in particular, highlights policy changes they have helped to win: new environmental safeguards, greater emphasis on social safety nets in austerity and structural adjustment programs, more liberal information disclosure policy, and others (Rich 1994; Nelson 1995).

A second set of contributions has evaluated transnational networks' significance in expanding participation (Clark 1993; J. Fisher 1993), and creating new actors in international policy processes (Sikkink 1993; Princen and Finger 1994). Recently, this has included critical study of accountability and performance in NGO networks (Fox and Brown, Edwards and Hulme).

This paper attempts to pose two sets of questions that bring together the issues of "results" in the international arena, and "process" in the networks. First, as the network themselves: What organizations participate in international lobbying of the World Bank? What are their claims to legitimacy? How do they choose their agendas for campaigning? And how are their agendas and methods tied to the governance of the organization by states? This article begins to answer these questions by focusing first on the identities and dynamics of three networks -- environment, poverty, and adjustment. There is considerable overlap among the networks internationally, but they remain distinctly organized at the level of the Washington DC organizers and spokespersons.

Second, as to the response of the World Bank: how have the networks' diverse strategies and interpretations of a common issue -- popular participation -- been interpreted and managed by the Bank? "Participation" is both the medium and the message of much NGO lobbying. Much of the process of NGO advocacy has worked to pry open state-managed decision-making processes to direct popular influence. And participation is the major point of intersection of the agendas of four major networks lobbying the bank on environment, poverty, adjustment and human rights.

The Bank is found to have interpreted and managed the various demands and "versions" of participation. It has, in each case, worked to move itself from the status of target of the NGO campaign to become a lever, an ally or even a leader in urging change from its borrowing member governments. In the process it has adopted and adapted the language of popular participation: "empowerment," "accountability," "democracy" -- and giving them meanings that are amenable to the Bank's structure and mandate.

The paper's first part addresses the networks, presenting a brief description, outlining the operational meaning of participation in the networks' advocacy, and raising issues in the politics and dynamics of transnational NGO network advocacy. Part II analyses the World Bank's response to these challenges. The paper concludes by raising issues for accountability among international organizations, states, and internationally organized citizenry.

I. NGO Advocates and "Participation" in Making World Bank Policy

Relatively few NGOs ever attempt to influence international organizations such as the World Bank. Of the thousands of NGOs worldwide, perhaps 200 participate regularly in networks that lobby at the international level. Of these, perhaps 20 (and no more than 30 individuals) have had the greatest share of direct contact with the Bank during the last decade, and serve among the apex organizations in pyramidal networks.

This is the level where the networks are most distinct, separable and identifiable. One rarely finds organizations in the South focused solely on environment or solely on structural adjustment, and many national-level organizations in the World Bank's borrowing countries tend to engage development policy, resource management and civil/political rights as a tightly connected set of issues. Many participate in more than one of the networks outlined here, and find the lines among conservationist, development and human rights constituencies in the North curious.

This analysis, however, focuses on international NGOs, based in the industrialized capitals, particularly in Washington. It describes a system of networks clustered around the themes of environment, poverty, structural adjustment and human rights, and examines their distinct forms of organization. Although the distinctions among the networks are being eroded somewhat, each is still clearly identified with a distinct agenda, and maintains a separate (though overlapping) network for information exchange and political action.

A. Describing the networks: participants, agendas and records

The groups of NGOs reviewed here are **loosely coordinated networks of diverse origins with activities that together amount to a common, collective agenda. They have varied claims to legitimacy and modes of action**, and respond to a variety of **constituencies**. Nonetheless they are held together by some of the following: shared values, shared political experience, funding and other project agreements, and joint participation in international gatherings.

1. Description and origins.

Some transnational networks have been fruitfully analyzed as transnational issue networks: organizations bound by shared values and by dense exchanges of information and services (Sikkink 1993). It is possible to treat the networks reviewed here primarily as issue-focused. This paper, however, emphasizes their common focus on the World Bank as an institution, for two reasons. First, focusing on networks' relationship to an international

organization isolates some important questions about the roles of international organizations and of NGOs in international regimes. Second, the World Bank has become a leader in several areas of international economic and environmental policy, and has promoted its engagement with NGOs. These features mean that policy changes and institutional strategies at the World Bank often influence other international organizations' policy as well, a fact that its NGO critics have recognized.¹

Relationships among community-based organizations (CBOs), NGOs, governments, the World Bank and other transnational actors have slowly changed, in some ways diminishing the international NGOs' role. These changes raise new possibilities for organizing transnational networks principally among organizations based in Southern countries.² But Washington-based NGOs have remained the "apex" organizations, articulating and negotiating on most issues.

NGOs have organized themselves differently to seek influence on a range of issues: environment and infrastructure, poverty, structural adjustment and governance, global environmental issues (biodiversity and climate change treaties), and human rights.³ This paper focuses on the three that give the longest continuous record of transnational advocacy with the Bank: environment, poverty and adjustment. Reference for comparison is also made to the others, particularly human rights.⁴ A sketch of the three networks follows.

¹The World Bank is nearly the sole focus of adjustment advocacy; anti-poverty advocates devote at least a much time and energy to the major bilateral donors as to the Bank; the environmental network discussed here has broadened its focus somewhat to deal with the regional development banks, USAID and the UN Development Programme, but still devotes most of its effort to the World Bank.

²See Martin 1993 for a proposal to establish a Southern NGO joint representation to the World Bank, in Washington; the African network FAVDO has established its own Washington office for this purpose, as have the members of the international Oxfam network (including national Oxfam affiliates from the UK/Ireland, Canada, Belgium, the Netherlands and Australia).

³Networks have also been active in three other areas: global climate change, including the Global Environment Facility and the Bank's role in agreements related to greenhouse gases; human rights, urging that the Bank use financial leverage to support widely accepted social and political rights; and, most recently, debt, arguing for World Bank coordination of debt relief to severely affected debtor countries. This paper discusses the three networks that offer the longest continuous records of advocacy involving diverse (North and South) NGO actors.

⁴ Human rights advocates, principally the Lawyers' Committee for Human Rights and Human Rights Watch, have led a relatively small-scale effort campaign to compel the Bank to consider human rights performance in its lending decisions; to use its influence with

Environment and Infrastructure

In 1983 several US-based environmental NGOs began a campaign to force reforms in World Bank lending. The campaign began with a series of critiques of specific projects, usually involving forced resettlement of communities for large-scale infrastructure construction.⁵ NGOs such as Friends of the Earth, the Environmental Defense Fund, Sierra Club and the Natural Resources Defense Council had long histories of environmental lobbying in the US. Working with overseas affiliates and with national and local environmentalists in the regions they lobbied the US Congress and met with the Bank's staff to raise awareness about "problem" projects and accelerate environmental reforms.⁶ European organizations such as the German NGO Urgewald, and national offices of Friends of the Earth, have also been active.

The US-based advocates quickly encountered independent local efforts by NGOs, unions, rural associations and community-based organizations (CBO), to protect livelihoods and lands from the effects of projects such as major dams, slum clearance and power

governments in specific projects that become the subject of domestic conflict; and to broaden internal procedural reforms, including its discussions of "governance" issues.

Some have argued for a change in the Bank's Charter to permit or mandate consideration of human rights performance (Levinson 1992). But many focus instead on procedural reforms. They have pressed, for example, for human rights impact assessments that would review the likely impact of an investment on recognized political and civil rights locally or nationally. Like the direct appeal for recognition of international norms, this has found little support in the Bank. Rights advocates have tried to strengthen the call for judicial reform under the "governance" rubric. The Bank's major interest in judicial reform is the creation of reliable, consistent system to adjudicate contracts, but rights advocates have seized the opening to press for attention to judicial corruption, arbitrariness, criminal procedure and arrest and detention practices (Lawyers Committee on Human Rights 1993).

⁵For histories of the campaign see Wirth, forthcoming; Rich 1994); Bramble and Porter 1992. All three are by participants, past or present, in Washington-based environmental NGO offices. This analysis focuses on one aspect of the environmental effort to influence the Bank. Another, focusing primarily on biodiversity, global climate change, and the administration of the Global Environment Facility, is not treated here.

⁶Other prominent participants include the World Wildlife Fund, National Wildlife Federation, International Union for the Conservation of Nature, Center for International Environmental Law and Greenpeace.

plants.⁷ In the context of struggles over particular WB investments, local and international organizations have formed alliances that are usually temporary, purposive and episodic, entered into in order to accomplish a specific political objective. In the process, however, enduring contacts have been built that I characterize as a network. Although the alliances may not have regular, systematic exchanges or institutional hubs (some do), they endure and evolve, and are periodically re-activated for a new round of advocacy.

The campaign's agenda began around a set of core environmental issues: river basin protection (especially from large-scale dam projects); protecting tropical forests and biodiversity; and promoting energy policies that stressed demand reduction and efficiency. But three related issues have come to equal, and sometimes eclipse these conservationist themes.⁸ Much of the campaigning now centers around involuntary resettlement of communities for dam projects; protection of indigenous people's lands; and accountability and transparency at the World Bank.

Southern participation in the efforts has begun in each instance with a campaign around a project or loan. In general the participants are either federations of community organizations, often formed specifically to resist a proposed dam or other infrastructure project; national-level organizations; or both.

Poverty

Like most development financiers and aid donors, the World Bank affirms that all of its lending is intended, directly or indirectly, to assist in the reduction of poverty (World Development Report 1980, 1990; Address by James D. Wolfensohn 1995). But many NGOs have sought to force the WB, and other donors, to focus more of their resources on activities that directly improve poor people's welfare and expand their access to productive assets.⁹

NGO advocacy around poverty reduction began around 1973, with the rising fashion

⁷The Asian Development, Inter-American Development Bank, and, to a lesser extent, the African Development Bank have also been the subject of environmental NGO efforts (see Quizon and Perez-Corral 1995; Nelson 1996). Recently some criticism has been leveled at the United Nations Development Program (UNDP) as well. But the greatest share of environmental lobbying remains focused on the World Bank.

⁸Much of the argument about membership and agenda is abased on an analysis of data that is in process. The environmental network is identified based on participation in one of several meetings and communications webs. Agendas are recorded in a set of work plans submitted to a coordinating meeting outside of Washington, hosted by the Washington-based NGO the Bank Information Center.

⁹As with the environmental network, mapping of the poverty network is in process. Participants are identified by their participation in the NGO Working Group on the World Bank, or in the November, 1993 Conference on World Hunger hosted by the World Bank.

of "New Directions" in major aid programs. The NGO effort, almost exclusively Northern-based, argued through the 1980s for greater poverty focus, more lending in the social sectors, and, increasingly, for more attention to the need for public participation in project planning and implementation. Among the active participants in the industrialized countries have been Oxfam (UK and US), Bread for the World (US), Church World Service (US), Community Aid Abroad (Australia), Christian Aid (UK), Save the Children Federation, World Vision International, and the Dutch NGO NOVIB.

In 1984 the WB agreed to form a standing consultative committee of NGOs and the World Bank, which became the first official international venue for discussion of poverty and participation issues. The Committee helped to build relationships among local and nationally-based NGOs around poverty-related policy issues, but was largely ineffective in the 1980s in winning changes in practice at the Bank (Nelson 1995; Arruda 1993; Covey in Brown and Fox, eds., forthcoming).

The first visible result came with the creation, in the bank, of a three-year "participation learning process," which has energetically documented and promoted participatory methods to Bank staff (Nelson 1995; Report of the Participation Learning Group 1994). Following the approval of a modest set of proposals by the Bank's board in 1994, two NGO centers adopted the task of monitoring their implementation in practice. One, the NGO Working Group on the World Bank, initiated annual regional meetings in each region (Asia, Africa, Latin America/Caribbean) to explore the practice and implications of expanded participation in Bank-financed operations (See, e.g., Society for Participatory Research in Asia 1995; ALOP 1995; InterAfrica Group 1995).

A second effort, initiated by the Washington, DC advocacy group Bread for the World, has sought to coordinate NGO action to press the Bank to implement commitments made in 1993 to expanded participation.

North-South NGO partnerships in the poverty and participation work has tended to arise not from alliances formed in struggles over particular projects, but from engagement in funding and implementing projects, or collaborating in international or regional meetings. Often the NGOs with staff and other capacity to engage in policy discussions are national or even regional consortia such as SOLIDARIOS and ALOP in Latin America, ANGOC in Asia and FAVDO in Africa.

Structural Adjustment

The World Bank's economic plans and conditions have met with opposition from community groups and NGOs such as Oxfam (US and UK), the Development Group for Alternative Policies, Christian Aid (UK), and many others. NGOs criticize the effects of liberal, orthodox plans on income distribution, public services to the poor, resource depletion and food self-reliance (The Other Side of the Story 1993; Oxfam 1994; Development GAP 1994). Many also object to the lack of broad national participation in framing major changes in economic policy, and some advocate specific alternative programs (Bretton Woods Reform

Organization, 1995).

Participants based in the industrialized countries have included the Development Group for Alternative Policies (US), several of the Oxfam organizations, the Canadian Inter-Church Coalition on Africa, World Wildlife Fund (US), Christian Aid (UK), and NOVIB (Netherlands). They have employed strategies including published critiques, videos, letter-writing and postcard campaigns to parliaments and the Bank, case studies, and extensive dialogue with Bank staff.¹⁰

There has been discussion of adjustment policies, sometimes including NGOs, in most countries that have undergone the almost universal Bank-financed process. National political resistance and the political sustainability of adjustment plans under non-authoritarian governments has generated considerable scholarly interest (J Nelson 1999; Mosley, Harrigan and Toye 1991; Broad 1988). But the most active participants in international networks addressing the World Bank directly are from a handful of countries: Mexico, Nicaragua, Ecuador, Philippines, India, Ghana, South Africa.

B. Three meanings of "participation" for international governance and organization

Despite the increasing conceptual integration of the networks' agendas (see Section C.1. below), there continues to be little overlap among them in direct planning, information sharing and advocacy, and their agendas remain distinct. Development advocates, for instance, have given formal support but little effort to the information and inspection panel reforms initiated by environmental campaigns. Environmentalist critics have agreed with much of the adjustment critics' objection to an export-oriented economic strategy, but have not entered extensively into the adjustment debate.¹¹ Whatever their sympathies, advocates in each sector in the industrialized countries continue to organize their campaigning and the information and exchange and constituency building along the lines of environment, development and human rights.

The one central area of convergence among the three is promoting "participation." Participation is not just an area of agreement (there are many of these) but the one topic that is important to each agenda. The three agendas give "participation" three distinct meanings, embodying distinct but complimentary arguments about NGOs and participation in national and international governance.

¹⁰Again, mapping of the network is in process. Participants in a 1992 Washington, DC meeting on structural adjustment are considered participants, as are members of the Adjustment working group of the NGO Working Group on the World Bank, and of the African Women's Economic Policy Network.

¹¹The efforts of the World Wildlife Fund to document resource impacts of adjustment are the notable exception. See David Reed (1995).

Each camp has articulated a variety of definitions of participation, but what is of interest here are not stated definitions but the operational meaning of participation in each campaign's action. Three voices, at once cooperating and contending, work to shape the meaning given to the word in practice, and to capitalize on its wide acceptance in international aid circles by pressing their agenda under the participation banner.

Three broad definitions and strategies can be distinguished, each primarily associated with one campaign. The environmental campaign expands the field of participation by using international venues to amplify minority voices. Adjustment campaigns have aimed to reduce the international component in policy and to reassert participation and control by domestic actors. Poverty alleviation has stressed learning from local knowledge and expanding the effective participation of excluded groups in project planning. Even in those campaigns where one meaning is dominant, other dimensions of participation are present.

Broadening the field of participation: international amplification of minority voices: the environment and infrastructure campaign supports the interests of minority subaltern groups in resisting or shaping government projects with WB finance that affect their lands or livelihoods. The frequently-used strategy of bringing public attention to bear on problematic projects has effectively helped make this the most-widely known and discussed approach. International support for campaigns against the Narmada River projects in western India, the Arun III Hydroelectric Project in Nepal, a series of projects encouraging colonization in Rondonia, Brazil, brought the concerns of relatively small populations (relative to the number of intended "beneficiaries") to the forefront by exposing them to international discussion (Bradlow 1995; Keck forthcoming).

The environmental campaign against major infrastructure projects has other dimensions, including its attack on the bias for monumental projects (dams especially) that are the emblems of transnational finance and engineering. The campaign's approach to participation asserts the rights of local communities and organizations to be informed of plans that affect their livelihood and to participate in project conception and design. Leaders of the environmental campaign proposed and won the modest liberalization of the Bank's information disclosure policy adopted in 1993. Its purpose is to permit informed participation by making information and documents publically available for discussion ("Disclosure of Operational Information" 1993; Udall 1994; Chamberlain and Hall 1995).

A second procedural reform, the creation of an independent inspection panel to hear citizen complaints against the bank, captures the campaign's approach to participation more fully. The inspection panel, which hears complaints that charge the Bank with failing to implement its own policy or procedures, has limited powers, but serves as a tribunal to which grievances can be brought. The panel is explicitly not empowered to hear complaints against broader international norms. (See Shihata 1995; Bradlow 1995; Nelson 1996).

The campaign's strategy has, in general, involved "internationalizing" domestic policy issues, amplifying, interprets and legitimates local claims by appeal to international norms.

Projects where local resource management has implications for global issues -- loss of biodiversity, of rainforest cover, production of greenhouse gasses, etc -- have been susceptible to this strategy, as have cases where human rights and cultural rights norms favor protection of indigenous peoples' lands and practices. Appeal to international norms on these issues has reinforced a minority voice in many cases, where either indigenous peoples' land rights or the land rights of communities threatened by a major dam project are involved.¹²

Opposing structural adjustment: asserting domestic control over economic policy. The implicit meaning of participation in much of the adjustment advocacy is nearly the opposite of the environmental strategy. Critics of the Bank's role in adjustment treat neo-liberal economic policy primarily as an artifact of the WB and International Monetary Fund (IMF) and call for a return to national decision-making about economic policy. This assertion of national sovereignty over economic policy invokes a kind of populist nationalism in opposition to World Bank influence. Whatever the limitations of national political systems, it implicitly argues that citizen participation is more likely to be effective in the absence of the overpowering financial and intellectual leverage of the World Bank.¹³

Substantively, the NGO critique of adjustment policies is varied, but whether it is public sector job loss, reduced social benefits, export-oriented exchange rate policies or the privatization of public and parastatal enterprises, the criticism has a common refrain: economic policy should be local politics, and effective citizen participation is being thwarted by the Bank. The extent of the Bank's effect on the national politics of these decisions, of course, varies widely (Mosley, Harrigan and Toye 1991). But in many borrowing countries, the Bank's influence over the basic shape of economic policy creates at least the perception

¹² Human rights campaigning at the Bank sees participation similarly. Human rights advocates argue that no form of participation in national development is fully possible without assurance of basic social and political freedoms, and they have urged the World Bank in a variety of ways to join in the effort to enforce these rights. In so doing they seek to stretch the Bank's self-definition as apolitical by forcing it to recognize the political implications of lending to governments with poor human rights records (Gillies 1992). Elsewhere, human rights advocates have seized on the Bank's interest in "good governance" (accountability, legal framework, information and transparency) as a lever by which to expand and improve its impact on human rights (Lawyers Committee for Human Rights 1993).

¹³The critique has a parallel in the scholarly literature. Legal scholar Jonathan Cahn, arguing that the WB has become a "governance institution," traces increasingly intrusive interventions by WB conditionality into institutional, legal and even constitutional issues in borrowing countries. Political theorist Robert Cox argues that the expanded role of the Bretton Woods institutions in economic policies is part of a general "internationalization of the state" occurring in the 1980s and accelerating in the 1990s (Cahn 1993; Cox 1992).

of effective disenfranchisement for those who oppose it.

As with other issues, NGOs do not address adjustment with a single voice. There is a strong line in the NGO critique that demands not a smaller WB role but a more benign one. Some call for the Bank to adopt "positive conditionality" promoting food self-reliance, reduced military spending, etc. (See Jordan, 1996 on this distinction among the Bank's critics in general). The two strands are visible in networks commenting on adjustment in many countries, but where the adjustment discourse addresses participation, it does so with the nationalist and populist argument described above.

In some countries the critique of adjustment is closely linked to a broader opposition politics. Whether nationally-based protest is closely tied to opposition to a sitting government (as in Mexico), or focuses principally on the Bank and IMF as international perpetrators (as in the Philippines and many sub-Saharan African countries) the critique, both as articulated locally and as interpreted and generalized in the international arena, calls for new and broader popular participation.

Despite the liberalization of many Northern economies during the same period, there has been relatively little joint or solidarity campaigning among NGOs and interest groups. The limited campaigning of internationally organized public sector employees (PSI) has not been linked substantially with NGO criticism. PSI in fact sought to obtain membership in the NGO Working Group on the World Bank in 1993, but was defeated in an election which favored a more traditional development NGO (author's observation, meetings, October 1993).

In the NGO discourse, structural adjustment has been generally treated as a development policy issue, rather than a global trade regime issue. The campaigns have rarely united Northern and Southern constituencies -- perhaps because there is no clear international "target" for the objections in the North.

The poverty campaign and participation: learning from local knowledge, meeting local needs: Perhaps the least discussed dimension of participation in governance in international relations literature, local-level participation in project planning and implementation is a major focus of the dialogue between development NGOs and the Bank. At the project level, participation is generally framed as a process of active involvement of stakeholders in a particular project, encouraged and facilitated by a set of methodologies and practices that has gained some currency among development assistance professionals.

NGOs have pressed for adoption of participatory approaches at the Bank both directly and indirectly. Indirectly, every public controversy over local opposition to an infrastructure project sends the message that investments can be implemented more smoothly if affected communities are advised and consulted in their early stages. It is not surprising that the Bank's clearest and earliest directives to staff regarding participation were in the controversial project areas of infrastructure, involuntary resettlement and indigenous peoples.

Second, some development NGOs have collaborated with the World Bank on projects, participating most often as implementing agents in projects financed by WB loans to governments. In so doing, major international NGOs such as CARE, World Vision International, Catholic Relief Services, Aga Khan Foundation and Oxfam, have introduced or promoted participatory methods among WB staff. Beginning in 1994 these cooperative efforts led to a series of meetings between international, and then Southern NGO staff, and Bank staff, to discuss procedural and regulatory requirements for more effective working relations. These discussions have focused primarily on the Bank's ability to provide funds up-front for project costs, its procurement rules and similar operational issues (Interaction with NGOs on the Bank's Project Cycle, July 7-8, 1994 meetings hosted by the World Bank; author's observations).

Third, development NGOs have argued at the Bank-wide policy level for a broad understanding and vigorous implementation of participation in Bank-financed projects and operations. Some WB staff have credited discussions in the NGO-World Bank Committee with inspiring the Bank's internal participation learning process, a three year study designed to make the case for participatory methods within the Bank.

This discussion of participation as project methodology is, for the WB, the most tractable of the NGO approaches to participation. It allows WB encouragement to government to be couched in language of effectiveness, of producing economic results rather than promoting political values. This articulation of participation, unlike the rights-based, solidarity-based or nationalist approaches, permits the Bank to align itself with proponents of participation. It allows the Bank to draw civil society organizations, including NGOs, into the implementation of projects that many governments are increasingly unable to manage.

C. The networks evolve

NGO networks are not static. Engagement with the Bank, states and other agencies, and rapid growth in the population of active NGOs in the South have helped to produce shifts and changes in the advocacy networks. Three important trends are apparent.

1. Convergence in themes, agenda and rhetoric among the networks.

The clearest way to observe the convergence is to review the rhetoric surrounding some recent episodes. The decade-long international struggle over development in the Narmada river valley has been represented as a human rights campaign, as well as a development policy issue, while advocacy has remained essentially within the environmental networks (W.Fisher 1995). Advocacy around the 1996 political crisis in Nigeria has also brought human rights and environmental organizations has also brought together concerns about land rights, oil exploration, political prisoners, detention and summary execution.

Environmental and development NGOs have both largely adopted the "sustainable development" language and goals emerging from the Bruntland Commission Report. For

much environmental advocacy this has effectively meant incorporating social concerns (particularly indigenous peoples' and resettlement) into a conservationist agenda. Development networks' embrace of sustainable development has placed the accent on development, as is typified by the slogan of one US group: "Reduction of poverty in ways that are environmentally sustainable" (Bread for the World, "News and Notices").

Indonesia's NGO campaign and its international support group may represent the most thoroughgoing integration of development, environment, adjustment and human rights campaigns. The annual meetings of the network supporting Indonesia's sometimes embattled NGOs now includes prominent human rights, development, environmental NGOs and the most active participants in the critique of adjustment plans (Riker 1993; Rumansara in Fox and Brown, forthcoming).

2. Continued separate and distinct organizational networks and strategies.

Despite the growing convergence of agendas, networks at the international level remain distinct and are not closely coordinated. Environment, development, adjustment and human rights networks at the international level continue to pursue distinct strategies and agendas; lack significant coordination or extensive information exchange; and often relate to different points of contact within the WB, with distinct strategies.

NGO advocacy continues without any overall coordinating body or forum. Several recent meetings or projects have proposed to bring together the diverse elements of NGO campaigns, expanding the dialogue among the groups. But each has been temporary and partial.¹⁴

It is no surprise that NGOs lack a single global congress or secretariat: the phenomenon of NGO advocacy is in many ways highly decentralized and its participants are not given to establishing central or hierarchical authority. What is notable is the relative lack of concerted cooperation among the reform campaigns. Common initiatives are rare; joint meetings and communication not routine; the networks continue to have access to largely distinct contacts at the World Bank; and the networks remain distinct at Washington level. At a recent meeting to share information and strategy among some participants of each network, publications and organizational workplans were exchanged, agendas shared, but participants did not seek to develop common strategies or to link ongoing, parallel initiatives (October 1995 Global MDB strategy meeting, author's observation).

3. Networks continue to rely on diverse constituencies and sources of legitimacy.

In the absence of an authoritative institutional voice, NGO efforts rely heavily on a variety of

¹⁴Recent meetings have included consultations at the time of a UN preparatory conference for the World Summit on Social Development (January 1995), and a coordinating meeting sponsored by the Bank Information Center at the time of the World Bank Annual Meetings, October 1995).

forms of standing and legitimacy at the WB, mostly informal. These forms of legitimacy, represented here as distinct types, appear almost always in combination.

Spokespersons for all four networks invoke their role as **representatives** of excluded voices from the South when expressing themselves in international fora. But each also invokes, explicitly or implicitly, one of three other bases for legitimacy. NGOs may demand a hearing because of their **expertise**, their **Northern political constituency**, and/or because of their **designation** or status as a NGO interlocutor. Environmental NGOs in the US, for example, invoke both partnerships with local community organizations and their own extensive memberships in the United States.

Development NGOs often claim, in addition to their representative role, special expertise in community development and organization, a claim often accepted by the Bank. (Environmentalists' claims to expertise may have been diminished somewhat as the Bank has expanded its own staff of environmental economists and other specialists.) Members of the NGO-World Bank Committee may at times speak in a representative role, but shape their message because their designation as members gains them audience with ranking Bank officials.

Since 1994 the "50 Years is Enough" Campaign in the US has brought more organizations with grassroots political constituencies into work on World Bank issues. Phone-in days and postcard campaigns to US government officials and to the Bank have been a new feature in US NGO advocacy. The campaigns tap some of the same political currents as did the labor-environment-consumer efforts in opposition to the NAFTA, on a much smaller scale.

The tensions network participants face in balancing their diverse constituencies and sources of legitimacy help account for tensions and ambiguities in their message about participation. "Participation" in the environmental campaign focuses on minority voices, but actual voices in the dialogue with the bank are usually those of northern environmentalists. In the poverty debate, some Northern NGOs seek opportunities for project collaboration -- and funds -- as well as broader changes in WB policy and practice. Adjustment advocates confront the tension between radically shrinking the Bank's policy making role -- and forcing it to promote a different set of policy conditions.

The networks have distinctly different relationships to major member governments, especially the US government. For several years, environmental NGOs have met monthly with US Treasury officials to review upcoming MDB projects, share information and discuss strategy. The so-called "Tuesday group" has become a regular working forum, a network for leaking and sharing internal WB documents, and a framework of agreed-upon issues for

collaboration.¹⁵

Some Southern NGOs also experience a tension between their participation in NGO networks and the views and perspectives they share with their governments. The most visible is their difference with some US-based NGOs over whether to threaten government contributions to World Bank funding in order to gain policy leverage. Some Southern NGOs have resisted efforts led by US environmentalists to make funding of the Bank's concessional lending arm (the International Development Association, or IDA) conditional on various policy reforms. The debate among NGOs over IDA's three-year replenishment in 1992 has surfaced again in 1995. While US NGOs cite their responsibility to US constituents, and their frustration with modest reform measures at the Bank, many NGOs based in the borrowing countries want their international supporters to give full support to the concessional funding, and press for reforms on a separate track (Nelson 1995; see advertisement in *Financial Times* 21 September 1992, p.6). (IDA is only one example: see Durbin 1995 on trade and environmental issues more generally).

3. Southern NGOs asserting direct voice

Some Southern NGOs, and others based outside the US, have grown dissatisfied with having their views represented to the World Bank solely through Washington-based network members. The Bank has met with increasing frequency with NGOs in borrowing countries, but Southern NGOs are also moving to increase their direct representation at WB headquarters. The Oxfam affiliates and the Forum of African Voluntary Development Agencies (FAVDO) have established independent Washington offices for direct liaison with the Bank. Caribbean NGO activist Atherton Martin proposed a Southern NGO Secretariat in Washington to express Southern concerns and priorities directly to the Bank and IMF (November 1993 Address to the Conference on Global Hunger).

All of these dynamics suggest that the NGO networks are best viewed as evolving alliances with specific purposes, indeterminate structures and sporadic and ad hoc coordination. The role of a handful of US-based organizations as spokespersons at the apex of the networks is challenged and modified by recent developments, but remains basically intact.

II. "Participation in Development" at the World Bank

¹⁵I have argued elsewhere that the environmental networks' reliance on the US government as its chief proponent of reforms on the WB Board poses tensions for US NGOs as participants in international networks. Close cooperation with the US government identifies the network with a government whose participation in WB governance is often unfavorably viewed as heavy-handed and unilateral. It is also possible that ongoing collaboration with the USG has steered the network's agenda toward the sets and subsets of issues on which the USG is willing to act, giving the USG a curiously strong role in setting the agenda of an international NGO network (Nelson 1996).

Far from being static or monolithic, the World Bank is a dynamic, complex institution that weighs, balances, interprets and reshapes mandates and pressure from diverse constituents. States, global financial institutions, private sector contractors, civil society groups, internal actors and its own leadership are among the elements of the Bank's operating environment. All of these features are considerations in understanding the Bank's approach the varied calls for "participation; some of them directly shape the approach.

Internally, the 1992 critique of the Bank's portfolio performance has created an impetus for any reform movement that enhances borrowers' "ownership" of or commitment to Bank-financed projects. The report, which charged that 37 percent of the Bank's portfolio was performing poorly, highlighted the lack of ownership as a major weakness in the Bank's service to borrowing governments. But the report does not specify exactly whose "ownership" is most urgently required, either between or among government ministries, commercial sectors and civil societies. **Whose** participation is to be encouraged, and heeded, is a central and contested question in the discussion among NGOs, governments and the Bank.

Proponents within the Bank pressed throughout the 1980s for more participatory methods. A Sociology Group (Kardam 1993), including social scientists and others interested in broadening the Bank's perspective on economic and social change, met periodically throughout the decade to discuss and encourage participatory approaches. Fortified by the fashionability of NGO cooperation in the late 1980s, and by the pressure created by the environmental critique, the staff managed an internal "participation learning process" to create support for participatory methods. James Wolfensohn's presidency has created an unforeseen new demand for the expertise and services of the Bank's (few) participation and NGO specialists, who say they are swamped with requests for help from staff responding to Wolfensohn's strong encouragement.

The international financial markets, on which the Bank borrows most of the IBRD lending capital, also exert influence, over many facets of Bank policy and practice. The Bank, for example, has long resisted proposals for debt write-downs to even its poorest and most debt-strapped borrowers on the grounds that such a step could affect its AAA rating on the bond markets, thus raising its cost of borrowing and, in turn, lending.¹⁶

The interpretation of the Bank's policy and practice that follows rests on the premise

¹⁶Bank staff have explained informally on numerous occasions that other borrowers' access to relatively low interest rates would be jeopardized if the Bank did anything to shake the bond market's confidence in its policies. In September 1995 the Bank overcame its caution by considering a staff paper calling for a coordinated resolution of certain countries' debts to the multilateral lenders (World Bank Task Force, "The Multilateral Debt Facility for Heavily Indebted Poor Countries," July 1995).

that it is an entity with imperatives, priorities, and strategies of its own, not merely a creation and servant of states. It protects its productive processes, conforms to (and often shapes) social "myths" that are the standards for evaluating its work, selects and manages information to create and maintain the analytic world in which it works.¹⁷

While the dynamics are varied, a pattern of interpretation, adaptation and positioning has emerged. The World Bank has sought, often successfully, to move from its usual position as target of the critique to present itself as an ally or lever for advocates, pointing to borrowing governments as the real problem. Confronted with new mandates or potent new criticisms, the Bank has often managed to adapt sufficiently to shift from being the target of criticism to being able to claim new status as an ally or even a leader in the effort.

Historically, the call by India and other major low-income borrowers for a confessional lending facility at the United Nations was transformed into a World Bank affiliate, the International Development Association (IDA) (Libby 1975). Environmental criticism, particularly on hot-button global issues, led to an aggressively "green" World Bank that carves out new responsibilities for itself in the international environmental realm. Put on the defensive, the Bank took initiative to gain control of the Global Environment Facility, and sought unsuccessfully to augment funds for the tenth replenishment of IDA by proposing a \$5 billion "earth increment" for environment-related projects.¹⁸

This strategy has served the Bank well in responding to, interpreting and shaping global development and governance trends. It exerts intellectual leadership through publications, training, and collaboration with other donor agencies. In addition it plays a more political and direct coordinating role in managing, chairing and often reporting from the coordinating meetings of government aid donors that consider borrowers' economic plans and craft a common policy. The Bank's vastly expanded role in these groups in the 1980s has created what Peter Gibbon calls a "new aid regime" in which bilateral programs are relegated to the role of follower in a coordinated, orthodox path (Gibbon 1993).

The Bank has taken steps to interpret, rearticulate and selectively adopt some of the versions of "participation" thrust upon it during the 1980s and 1990s. In each case the dynamic of interpretation is present as well as a struggle over how extensively to implement

¹⁷The "new institutionalist" school of organizational sociology has developed the analysis of social myths and their role in establishing standards by which institutions are judged and accredited. See Dimaggio and Powell 1983 for a key theoretical statement; for an application to the World Bank see Nelson 1995.

¹⁸Such adaptation of a new mandate is much quicker and easier, of course, in a case where the critique is one that a dominant faction in the Bank is predisposed to adopt. The Bank implemented its new mandate to make balance-of-payments loans with macroeconomic policy conditions attached rapidly and easily in the early 1980s.

the measures. The analysis that follows make reference to the latter struggle, which is largely a matter of degree. But it focuses on the Bank's interpretation of the four modes of participation, and on the significance of the interpretations for international development and governance.

Participation as project methodology

The World Bank's official support for participation includes requirements in certain sectors or types of operations; growing general support from senior management for broader involvement in investments; and a more recent and much more restricted emphasis on participation in non-project activities such as poverty assessment, environmental action plans and the development of country assessment strategies. Official WB policy is a patchwork of statements in various documents: the bank has never had a formal Operational Directive or Operational Policy on participation, but is now in the process of developing one.

Consultation of affected groups and communities is specifically **required** in operations involving involuntary resettlement of communities or affecting indigenous peoples' lands; in social investment funds; and in environmental impact assessments for projects rated as "Category A" (environmentally sensitive). It is encouraged in many other sectors and settings. Poverty Reduction projects, emergency recovery loans, and agricultural pest management project directives all encourage local community participation, including in early stages. Staff are encouraged to focus on building effective institutions for participation in public life when dealing with "gender issues in development" and in forestry sector work.

During the late 1980s a core of supporters on staff promoted participatory methods as general practice or in particular sectors (see, for example, Cernea 1988; Paul 1987). This pro-participation core grew during a three-year "participation learning process," an internal series of reviews and workshops creatively and energetically staffed from 1991-94. The process involved practitioners from NGOs, universities and government in a process of collecting the experience needed to make the case to bank staff for participatory methods. Siddharth (1995) and Kardam (1993) have shown the value and importance of alliances between external advocates and such internal factions.

The board approved most elements of the learning group's modest participation action plan. The plan, now in process, calls for continued learning efforts, including the 19 "flagship projects," whose participatory components will be intensively monitored and evaluated; efforts to "mainstream" participation in policy dialogue with governments and in Economic and Social Work; encouraging a "culture of participation" by improving incentives, training and, where needed, recruitment; changes in procurement regulations that impede local participation; and a high-level oversight group. (On participatory poverty assessments see "Implementing the World Bank's Strategy to Reduce Poverty" 1993 and subsequent annual reports; on the flagship projects see "Project Flagships," memo, 1995; on participation initiatives in general see The World Bank and Participation 1994.)

Each regional vice presidency has developed a regional action plan. The Latin

America/Caribbean plan, which has won high marks from participation proponents within the bank, places a NGO liaison person in each Resident Mission, initiates a study series on government-NGO relations, and proposes to hold meetings with NGOs in each of the three subregions during 1995-96. A Fund for Innovative Approaches to Humanitarian and Social Development (FIAHS) has made supplemental funds available for staff to cover extra costs of participatory measures in project preparation. The FIAHS, however, is being phased out in the fiscal 1997 and 1998 budgets. An extensive Participation Sourcebook is available to WB staff, built around short studies of participation efforts in various sectors and principles of "best practice."

Assessing implementation of participation methodologies: achievements and limits

NGO involvement is often taken as a proxy for community participation. The incidence of reported NGO involvement, in project plans at the time of board appraisal, has grown rapidly since 1988, approaching half of all projects in two recent years. Bank staff acknowledge that some reported projects involve only incidental consultations. But the WB does claim that the character of NGO involvement has changed from almost exclusive NGO implementation of government and bank-designed projects, to greater roles in design and identification.

A review of reported projects over four recent years (Nelson, 1995) finds, however, that much of the reported NGO role in design is either NGO submission of subprojects for financing under an investment fund, or NGO input to social welfare schemes to mitigate the impact of adjustment. Participation in project design has been largely limited to engagement that advances strategic WB agendas.

As such, it is participation in a more limited sense than NGOs call for: a form of directed participation in which consultation and promotion of community activity is a method to mobilize the social energy needed to make a project succeed. This and other limits aside, the Bank's efforts have far exceeded those of agencies to which the rhetoric of participation comes more easily, and drawn notice from critical observers (Steifel and Wolfe 1994, pp.222-3). Some of the positive impression may stem from the Bank's publication and vigorous dissemination of its own participation studies.

Participation encounters a strong organizational myth of the non-political nature of its work, and a mandate to keep lending volume high that encourages rapid planning and design. The WB has long emphasized staff's technical competence as a vital asset. Participation loosens staff's control on the project process and demands new forms of professional competence. Each of the "versions" of participation under considerations implies a challenge to this apolitical image. At the project level, the participation challenge calls into question the validity of much of the development planning expertise that has been a hallmark of the Bank's posture as a project financier. It calls for a new organizational capacity that can be met only partially by adding new professional expertise.

It requires in addition new organizational processes, a new set of standard operations

that make room for consultation and revision as standard procedure. Increased public participation is fit into existing routines for doing business, routines that do not readily accommodate it. World Bank action plans do not touch, for example, on reworking the project cycle, even though a working paper by the bank's head of operations evaluation has proposed one way to reshape it. Picciotto and Weaving (1994) are optimistic that such a new framework is emerging, in the form of a "new project cycle," through efforts of some WB staff to practice adaptable, participatory, iterative project design. I have argued elsewhere that without more space for innovation and revision in the routine process of project development and implementation, the bank cannot accommodate participation as a regular, systematic feature of its work (Nelson, 1995).

But the need for institutional innovation is not only internal to the Bank. Most major projects include cofinancing by one or more other official donors, and no one donor may be able to move unilaterally to drastically reshape components it is financing. With this need for a new institutional framework -- either more or drastically less articulated and coordinated -- the pressure from participation reaches the level of the development finance regime. What is sometimes upheld as a new "paradigm" (Griesgraber and Gunter 1996), and is at least a strong new realization in development assistance appears to require changes that span the major actors in the development finance regime.

Establishing and defining accountability: minority claims

The World Bank has been pressed for change in environment and infrastructure projects at three levels. **Energy policy** has been criticized as based on the kind of large-scale dam and generator projects that necessitate forced resettlement, and early consultation with local populations is recommended in the search for alternatives. **Resettlement procedures** have been criticized, and full consultation and assent called for when populations are to be resettled. Finally, the **transparency and accountability** of bank procedures and systems have been critiqued, and a new information disclosure policy and appeals panel urged.

The record suggests that the strategy of reinforcing and amplifying local minorities' protest has been the most effective in changing policy and practice at the Bank. While the Bank's NGO critics remain unsatisfied with institutional arrangements and implementation, each of the policy areas above except for energy lending itself has seen significant change in the past decade. The Bank's resettlement procedures include rigorous requirements for consultation of affected groups and restoration of incomes and livelihoods when populations are resettled (Escudero 1988).

But this accomplishment in Bank policy raises two further questions: To what extent has consultation led to influential participation and to greater accountability in the projects? And how are the Bank's borrowers constrained by the Bank's policies and procedures? The policy on resettlement requires consultation of affected people in planning, and imposes the test that resettled persons' income be restored at least to pre-resettlement levels. The Bank's

extensive 1994 review found that consultation was almost always carried out, but in no case had resettlement met the requirement of restored incomes, and in very many cases other serious problems existed with borrower government implementation of steps agreed in the project (Annual Report on Portfolio Performance 1994; "Resettlement Review" 1994).

Consultation, in these cases, leads to influence and accountability only when other conditions are present. One route to accountability is WB pressure on the borrowing government to meet agreed-upon standards. An internal paper outlining "Regional Remedial Action" on resettlement cautiously observes that "difficulties" arise "when borrowers [lack] commitment to the resettlement activities," and notes that the bank must maintain an "intensity of supervision" to improve such implementation" (pp.39, 46). WB supervision can hold a borrower accountable to standards agreed in a loan contract, if the bank devotes enough political capital to the issue.

A second mechanism, arguably the most effective during the last decade, is vigorous protest by affected communities, and international support. An NGO commentary on the 1994 WB review claims that "nearly all the cases" rated as positive examples of WB influence in a resettlement operation "came about from extraordinary resistance to a project at the grassroots level." and that neither borrowers nor the bank "revise[d] any project willingly" (letter to US Treasury, April 22 1994).

The inspection panel creates a third accountability mechanism, and the bank's 1994 review of portfolio performance notes ominously that now "individual resettlement plans, which have improved substantially on average over the last three years, can be challenged on every detail of the relation between policy and planning" (p.36).

How much impact have the institutional changes had on normal practice in the Bank? It is too early to know. Most of the infrastructure projects now eliciting protest have been under development for several years, and no one can accurately say how they would be different if Bank staff had begun development them under the present circumstances. This pipeline effect (Fox forthcoming) makes it almost impossible to assess impact "on the ground" in the short term.

World Bank regulation: how constrained are borrower governments?

One can, however, accurately report the response of member governments to the institutional and policy changes. Their apparent willingness and ability to thwart WB guidelines for resettlement in the past suggests that many states recognize the bargaining situation in which they find themselves with the Bank: just as governments need the World Bank's finance and seal of approval for controversial projects, so the WB needs to continue to disburse funds. This latter pressure becomes greater the larger the Bank's investment (in staff time, reputation, and money) becomes.

Does the institution of a new disclosure policy and creation of the inspection panel change this bargaining situation? The additional threat of a possible appeal to the panel

increases pressure on the Bank to follow its own policy and procedures, but the panel specifically cannot investigate or rule on governments' performance in implementation. The inspection panel's presence has no immediate, direct effect on the incentives for governments, but the threat of the panel may make the Bank more reluctant to finance problematic projects, and encourage staff to be more insistent on government implementation of agreed steps in resettlement.

Adjustment and national economic policy: participation as building "ownership"

For 15 years the World Bank has been an important agent in the training, dissemination and leverage that has created substantial consensus in official circles around a package of liberal economic reforms known as structural adjustment. Through training of borrowing country officials in the Bank's Economic Development Institute, through coordination of aid donor consortia and of course through the use of explicit policy conditionality on non-project loans, the WB has taken the position of manager of what Peter Gibbon has called a "new aid regime" (Gibbon 1992).

Its central position in the international regime for debt management and promotion of liberal economic policy has made it a lightning rod for criticism, and compelled it to devise a response to its critics in order to keep its adjustment lending role consistent with its expressed priority for poverty reduction and sustainable development.

Its response to the criticism of adjustment has featured three steps to improve the implementation and impact of the reform packages: it has narrowed the range of conditions attached to any one loan, focusing conditions on a smaller number of policy changes, prescribed in greater detail; it has made social safety nets the norm in adjustment packages, financing measures to soften the impact on vulnerable groups; and it has increased its attention to the institutional capacity for implementation, and for successfully attracting investment, under the rubric of "good governance."

Without entering into the heated debate about the merits of these changes, how do they respond to the appeal for greater domestic participation in national economic policy-making? Social safety nets, though important, are probably neutral with respect to participation in making policy. Bank staff have stressed the role of NGOs and community based organizations in implementing measures funded by the social funds, but the social funds manifest an erosion of state authority over economic policy, not a return to local control. As state capacities in social sectors were reduced by new policies or shrinking funds, acute needs in many countries resulted in the creation of funds to finance employment and social welfare benefits. Civic mobilization and sometimes NGO management of projects have been essential to the operation of many of these funds (ALOP 1995; "Qualitative Review of Social Funds" 1994).

Adoption of more narrowly-focused and -defined conditions is an explicit effort to increase borrower accountability to the WB for implementation of reforms. It is thus

arguably a further shift of authority and initiative for policy toward the Bank.

The Bank's attention to "good governance" issues since the early 1990s is a second response to criticism of its adjustment lending and its implementation. "Governance" for the WB has centered around the themes of transparency, accountability, legitimacy and participation, and on the encouragement of civil society. The origins of the interest include the Bank's frustration in winning implementation of agreed-upon conditions for adjustment plans throughout the 1980s. Williams and Young argue that the Bank recognized that the limited success of adjustment loans had partly to do with "political considerations... the experience of adjustment lending led the Bank to take account of political factors such as interest group pressure and government legitimacy..." (1994, p.89).¹⁹

The Bank's interest in the size and nature of government broadened from simply reducing its costs and role in the economy, to also increasing its capacity to implement politically difficult policy changes. "Good governance", then, is in large part about the capacity to implement "good economic policy."

Participation in "economic and sector work"

A second set of measures promises to modify Bank procedure not in adjustment plan negotiation and supervision *per se*, but in the "economic and sector work" -- the underlying research that forms the basis for Bank and government policy agreements and documents. The Bank has taken a few steps to encourage earlier and broader participation in Bank-related policy formation. WB-sponsored "operations that preceded and form the framework for projects -- poverty assessments, social assessments in sectors as well as projects, country assistance strategies and national environmental action plans -- have all been cited as processes that can benefit from expanded participation. A limited number of poverty assessments and social assessments have been carried out in deliberately participatory fashion, at the initiative of determined Bank staff (Davis, "Social Assessment" memo, 1994; Annual Report 1995).

There is only one sector or field, however, in which the Bank has mandated nationwide policy formation by its borrowers, and this is in the development and promulgation of National Environmental Action Plans (NEAP). World Bank officials and documents often stress the participatory nature of some borrowers' NEAP processes (Mainstreaming the Environment, 1994, pp.82-4.) But the model -- a national policy planning initiative in a complex field with strong international interest -- has not been applied in general economic policy making.

¹⁹Human rights advocates efforts to expand the Bank's working definition of good governance to include internationally recognized political and human rights has been treated delicately at the Bank, whose General Counsel has articulated a carefully crafted interpretation of the proscription in the Bank's charter against interference in members' political affairs ("Prohibition of Political Activities" 1995).

There is now discussion within the WB about whether and how to make Country Assistance Strategies (CAS) -- the bank's policy and investment planning document for each country -- more open to participation. Participants within the bank disagree on whether the bank should open the CAS process itself, or the research and planning that precede it, e.g., the country economic memorandum, poverty assessment, social assessment.

Senior staff in the Bank's Africa department have also begun to urge steps to back away from the Bank's heavy policy-making role in some countries. A 1994 directive was unusually candid, calling for steps to "put the government back in the driver's seat" (Denning pp.6-7). "In an environment where donors may be perceived as pressing their own development policies and the services of their own experts on Government, some respite may well be needed for the Government to develop its own sectoral policies and priorities" (p.7). Vice President for Africa Edward Jaycox noted in a recent discussion with NGOs that his unit has had difficulty making progress toward returning initiative to governments (January 30, 1996 Africa Roundtable meeting, author's observation).

Expanded participation in setting the principles of economic policy is not likely to promote consensus and "ownership," but rather to raise thorny issues of distribution of assets and income, social services and entitlements. The bank, like most of its borrowers, tend to keep economic planning apolitical, a function of expertise, walled-off from participatory politics, environmental checks, and, largely, from the quasi-legal recourse of the inspection panel. Consultation in adjustment consists almost exclusively of planning social safety net programs.

Despite the initiatives in social assessment, NEAPs and poverty assessment, the general direction of the Bank's evolving practice of adjustment lending has been to insist on greater accountability to the lender, not greater domestic initiative and influence. The Bank's steady insistence on its formative and coordinating role in adjustment policy lends credence to Cahn's and Cox's argument that governance responsibilities of the state are being assumed or severely impinged upon by international actors such as the World Bank.

Conclusions: Participation, Accountability and States: Shifting the Relationship

International NGO networks have promoted, and demonstrated, a variety of styles of "participation" through their networking and in the content of their demands on the World Bank. The World Bank has tended to accept and assume a role in the two "varieties" of participation that strengthen the international role in environment-related policy and project decisions, and that promote local involvement in project management and implementation. It has embraced changes in its information disclosure policy and procedures related to environmental impact and to social dislocation in infrastructure lending, and accepted the creation of an independent inspection panel. At the same time it has largely resisted a third call for sharply expanded domestic initiative and participation in national economic policy.

This pattern of change has had three effects that are already visible in international

interactions on environmental and economic policy. First, international NGOs and some industrialized country governments have asserted active roles, largely through the influence of the World Bank, in environmental and resource management issues in borrowing countries.

Second, NGOs have increasingly pursued an agenda that places the World Bank in the position of monitoring and regulating borrower government practice. The Bank's environmental critics have in effect won it a larger role in defining adequate environmental safeguards and promoting its borrowers' adherence to them.

Third, state functions are redefined as national governments are increasingly compelled to accept a greater local role -- governmental and civic -- in managing social and development projects. Some of this responsibility, especially for social service delivery, is delegated to local governments, international and national NGOs, and community associations.

Fourth, adoption and implementation of plans for open, deregulated and privatized economies, which became a requirement for access to international finance in the 1980s, remains the area where the Bank has conceded the least to its external critics. In the process it has assumed a role in shaping accepted definitions and standards of "governance," emphasizing reliable contracts, transparent policy processes and a trusted judiciary as essential to the international investment that adjustment plans are to promote.

The World Bank, then, has grown from its acknowledged role in project finance to adjudicator and financer of domestic compliance with international environmental norms; coordinator of an international aid regime and the economic policy conditions attached to adjustment; and, to a limited extent, arbiter of the standards of "good governance."

International NGO networks have won a number of significant battles over individual projects, WB practice and information disclosure and independent inspection panel. They have won a role and influence for themselves in certain spheres of international policy making, and widespread recognition for their capacity at the local level to mobilize public participation and maintenance of externally funded projects. Their support for local and national NGO protest efforts have helped facilitate access to international fora by minorities often excluded from effective national influence.

As their influence expands they are increasingly confronted with the need to make their voice and agenda in international discussions demonstrably representative of Southern priorities and needs. Responding to this challenge will largely determine the legitimacy they are assigned, both by international organizations such as the Bank, and by Southern partners in the networks.

However this challenge is addressed, it seems likely that NGO networks will continue to promote the internationalization of many of the policy areas they address. In the process,

previously excluded and even oppressed constituencies win international support and leverage over government policies. As they are drawn more directly into dialogue with the World Bank and other international agencies, however, they confront the tension between gaining influence through international leverage, and surrendering national prerogatives in major policy arenas. The recent trend points to the curious wedding of expanded participation in international arenas and increasingly limited discretion in national governance.

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OFFICE MEMORANDUM

→ CG
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96 SEP 19 PM 1:26

DATE: September 13, 1996

TO: Distribution

DGO

FROM: Norman Hicks



EXTENSION: 31977

SUBJECT: **Ecuador NGO Profile: Issues Paper**

1. Please find enclosed the Issues Paper for "Ecuador NGO Profile". A meeting to discuss this is scheduled for September 25, 1996 at 9:30 a.m. in Room I-8-490. Comments before the meeting can be sent by electronic mail to Mr. John Panzer or Mr. Edison Palomeque.

Distribution:

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ECUADOR NGO PROFILE

ISSUES PAPER

I. INTRODUCTION

1. By mandate, the Bank has worked fundamentally in relation with governments. However, we are now committed to promote participatory strategies in the design and implementation of the policies we support and projects we finance because there is the evidence that participation can improve the quality, effectiveness and sustainability of projects and strengthen ownership and commitment of government and stakeholders. Community participation strategies are found to be particularly important in reaching the poor. To achieve this, the Bank needs to extend its institutional linkages with other social actors of the civil society within the countries it is operating. This would allow us to finance projects which are not only the expression of interest of a determined government but also of the society as a whole.

2. Among the members of civil society the Bank looks to promote participation are the NGOs. This term is very broad and can encompass different types of organizations. In Ecuador, NGOs are recognized for their diversity and the rapid growth process they have had during the last years. It is also recognized that NGOs could have significant potential in terms of using participatory approaches in Bank financed projects.

3. Theoretically, participation is a concept which has been accepted and adopted by most of the developmental institutions. In this sense, the possibilities of promoting such participation are open. However, it is also important to note that its future depends on a large part on the concrete response given by all actors involved in the development processes. For this reason, just as we state the need for the modernization of the State, we can also argue that is necessary to promote the modernization of NGOs so they can respond with efficiency to the new challenges that must be faced in the current development scenarios. If the Bank is interested to promote better levels of participation of NGOs, it needs, at the same time, to have a deeper understanding and knowledge of them, and eventually invest to strengthen their institutional capacities.

II. NGOs IN ECUADOR

4. Although there are some charitable NGOs operating in Ecuador since the end of the last century, most of development NGOs started their activities during the last 30 years. During the 60's and 70's, pioneer NGOs were related to land reform, indigenous and rural development projects. The most important growth of NGOs began in the 80's with the incorporation of new development topics such as

microenterprise, environmental, urban poverty, gender and children issues. The 90's have been important in terms of the organization of consortia and NGO networking, mainly those related to women, children and environment.

5. Based on preliminary data, it is estimated that there are some 895 developmental institutions of which, 564 are national NGOs, 197 are people organizations, 72 are international organizations, 42 are church related organizations and 19 are organizations involved with private enterprises. There is high concentration of NGOs in the Province of Pichincha (where Quito is located). Other provinces where NGOs presence is important are Guayas, Chimborazo, Azuay and Esmeraldas. The most important working sectors are education, health, income generation, and environment; however, most of NGOs consider themselves multisectoral.

6. The term NGO in Ecuador is mainly used to refer to developmental private institutions whose scope of work can be related to three kind of activities: 1) design and implementation of development projects within different sectors (rural development, health, education, environment, women, children, microenterprise); 2) provision of basic services such as projects design and assessment, feasibility studies, training, audit, and accounting activities; and, 3) social surveys. They have legal status based on their non-profit characteristics.

7. In Ecuador, the State has had a strong role in the implementation of development activities, which has partly impeded a sound growth of other social actors such as NGOs. This is also related to the populist focus that has traditionally prevailed in the country, where people have usually expected the State to resolve their needs and demands. Between the State and the NGOs there is a relationship based on a mutual mistrust. However, this is changing as the State is assuming new roles and the need of a wider participation is being promoted by the international cooperation, the Bank included.

8. The main strengths of the local NGOs are: their ability to promote activities through the implementation of participatory approaches; commitment to carry out projects oriented to the poor; knowledge of country environment and good level of contacts both with indigenous leaders and international cooperation entities. The main weaknesses that could be mentioned are: small scale interventions and lack of sustainable impact; short term perspective to carry out development activities; limited institutional and managerial capacity.

III. PURPOSE OF NGO PROFILE

9. The purpose of this sectoral study is to identify and define working forms and mechanisms that would permit strengthening the participation of the NGOs in the design and implementation of policies and projects oriented at reducing the incidence of

poverty in Ecuador. The Bank hopes the results of this study will be helpful to the entire community that works in development.

10. The possibility of working close with NGOs is an important issue for the Bank, given that currently the 34 per cent of our portfolio in Ecuador is oriented to social projects, and a wider level of participation of the NGOs within these can contribute to the sustainability and effectiveness of our activities. It is also important because it is part of the Action Plan that the Latin America Region has agreed with the NGO's Latin-American Association of Promotional Organizations (ALOP). Both institutions have already organized two regional working meetings (1995-1996) and in them have decided to carry out such studies.

IV. PROGRAMMED OUTPUTS

11. The NGO Profile is expected to achieve:

- (a) An overview and thorough data analysis to obtain a typology of NGOs in Ecuador.
- (b) Identify the strengths and weaknesses that have facilitated or impeded an efficient operation of the NGOs, as well as its needs and demands to improve their performance.
- (c) Formulate recommendations that will help NGOs and the Bank improve and increase NGO participation in the implementation of activities oriented to reduce poverty.

V. METHODOLOGY AND PARTICIPATORY APPROACH

12. The main input of the profile will be a survey of basically qualitative nature which will be implemented through personal interviews to 50 representatives of developmental institutions (30 of them will be NGOs) located in Quito, Guayaquil, and Cuenca. The coordination and implementation of this study will be headed by the NGO Coordinator of the Resident Mission.

13. In terms of implementing a participatory approach to carry out this study, a Consultative Committee with the participation of three NGO representatives (one from each of the above mentioned cities) will be formed, which will have the following duties: 1) review the survey and the list of NGOs and persons who will be interviewed; 2) participate in a mid-term follow up meeting; 3) review the preliminary report before it is presented to the NGOs; 4) participate in a consultative workshop to present the results of the survey and receive feedback.

VI. DISSEMINATION STRATEGY

14. The intended audience of this study are: NGOs, international cooperation entities, governmental institutions, and selected private sector and people organizations. Given that the Bank mainly seeks to promote a wider involvement of NGOs in its operations, preference will be given to NGOs whose activities are aimed to reduce poverty. The Final Report (Green Cover) of the study will be presented in Spanish to facilitate its dissemination among development organizations.

VII. WORK CALENDAR

15. This study is programmed to have a duration period of three months, according to the following schedule:

No.	ACTIVITIES	DATE
1.	Organization of Consultative Committee	Sep 12/96
2.	Revision of secondary information sources	Sep/96
3.	Design of an interview guide	Sep/96
4.	Application of the interview	Oct 07/96
5.	Qualitative analysis	Oct/96
6.	Presentation of first draft(White Cover)	Nov 08/96
7.	Consultation and feedback workshop	Nov/96
8.	Presentation of Final Document(Green Cover)	Nov 29/96

VIII. BUDGET

16. The total budget for this NGO Profile is US\$21,950 which can be broken down as follows:

No.	Item	Cost
1.	NGO Coordinator	\$ 9,000
2.	Consultant Team	\$ 9,570
3.	Travel	\$ 2,250
4.	Dissemination	\$ 1,130
	Total	\$21,950

Currently, the Bank's approved budget is of US\$18,000. An additional support of US\$3,950 will be funded by the Netherlands Voluntary Service (SNV).

OUTLINE

PERFIL DE LAS ONGs EN EL ECUADOR

I. RESUMEN EJECUTIVO

II. CARACTERISTICAS GENERALES DE LAS ONGs

1. Antecedentes Históricos
2. Base Legal y estructura de funcionamiento
3. Campos de acción, metodologías de trabajo y grupos meta
4. Disponibilidad y uso de recursos humanos y financieros
5. Tipología de las ONGs en el Ecuador

III. POTENCIALIDADES, LIMITANTES, NECESIDADES Y DEMANDAS DE LAS ONGs

1. Filosofía, Misión y Visión Institucional
2. Estructura y organización interna
3. Procesos de gerencia y administración
4. Procesos técnicos de trabajo y logros alcanzados
5. Relaciones con otros actores: Gobierno, Sector Privado, Organismos de Cooperación, Beneficiarios, entre ONGs

IV. RECOMENDACIONES

1. Los nuevos contextos y los retos de las ONGs
2. Recomendaciones para los Gobiernos
3. Recomendaciones para el Sector Privado
4. Recomendaciones para la Cooperación Externa y el Banco Mundial en especial
5. Recomendaciones para las propias ONGs

ANEXO 1: Metodología de Trabajo

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 12, 1996 07:51pm

TO: See Distribution Below

FROM: John D. Clark, PSP (JOHN D. CLARK@A1@WBHQB)

EXT.: 31840

SUBJECT: Annual Meeting of NGO-World Bank Committee

Dear Friends,

This year's NGO-World Bank Committee meeting will take place from October 15 morning to October 17 lunchtime. Please put this into your calendar. While you would be welcome to do so, I am sure that you would not want to take part in the full schedule of meetings. Hence please take a note of the items on the draft agenda (below) which are of particular interest.

Three events which we particularly urge Regional colleagues to attend are:-

1. State Reform and Civil Society; October 15, 1:30pm - 6:00pm
2. NGO Capacity Building; October 16, 9:30am - 12:00am
3. Participation; October 16, 1:30pm - 4:00pm

If you are not able to attend items which you think your Vice-Presidency should be present at, I would be grateful if you could notify me of any substitute you designate.

Thanks, and hope to see you at the meeting!

DRAFT AGENDA

Tuesday, October 15

- 9:30 Introductions, approval of minutes of previous meeting
- 10:00 Report back on the Regional Meetings (Accra, Manila, Managua)
- 10:45 COFFEE
- 11:00 Update on plans for global workshop on Social Funds (with EDI)
- 12:00 Update on planned OED study on Bank-NGO collaboration
- 12:30 LUNCH
- 1:30 State Reform and Civil Society seminar format

4 NGO papers will be presented (Africa, Asia, LAC, ECA)
Response from Bank - from Regional members, and WDR team
Discussion

6:00 CLOSE

6:00 RECEPTION

Wednesday, October 16

9:30 NGO Capacity Building. NGOs propose the Bank establish an
Interagency Coordinating Group on NGO Capacity Building.
Senior representatives from some other agencies will be invited

10:00 Information Disclosure Policy - what more is needed

12:30 LUNCH

1:30 Participation. The NGOs will present regional papers and a
synthesis paper, for discussion

4:00 Meeting with EDs (hosted by Eveline Hefkens)

5:30 CLOSE

Thursday, October 17

9:30 Update on NGO Law Handbook

10:00 Update on participatory approaches to CAS

11:30 Update on Social Development Task Force

11:00 COFFEE

11:15 Update on Gender Policies in the Bank

11:45 Update on the Bank-NGO Structural Adjustment Review

12:15 Closing Remarks

12:30 CLOSE

We are asking representatives from USAID, UNDP, UNICEF, GTZ and the Ford
Foundation to join us for the NGO Capacity Building item.

DISTRIBUTION:

TO: ROBERT PICCIOTTO
TO: MARK MALLOCH BROWN
TO: Ismail Serageldin
TO: JAMES W. ADAMS
TO: Elkyn Chaparro

(ROBERT PICCIOTTO@A1@WBWASH)
(MARK MALLOCH BROWN@A1@WBWASH)
(ISMAIL SERAGELDIN@A1@WBHQB)
(JAMES W. ADAMS@A1@WBWASH)
(ELKYN CHAPARRO@A1@WBHQB)

TO: Zafer Ecevit (ZAFER ECEVIT@A1@WBHQB)
TO: DANIEL RITCHIE (DANIEL RITCHIE@A1@WBWASH)
TO: ALEXANDER SHAKOW (ALEXANDER SHAKOW@A1@EDSEL)
TO: Lyn Squire (LYN SQUIRE@A1@WBHQB)
TO: HANS JURGEN GRUSS (HANS JURGEN GRUSS@A1@WBWASH)
TO: Barbara Bruns (BARBARA BRUNS@A1@WBHQB)
TO: PAULA DONOVAN (PAULA DONOVAN@A1@WBWASH)
TO: Aubrey Williams (AUBREY WILLIAMS@A1@WBHQB)
TO: Gloria Davis - ENVSP (GLORIA DAVIS@A1@WBHQB)
TO: JOANNE SALOP (JOANNE SALOP@A1@WBWASH)
TO: David de Ferranti (DAVID DE FERRANTI@A1@WBHQB)
TO: Marianne Haug (MARIANNE HAUG@A1@WBHQB)
TO: robert s. drysdale@a1@delhi
CC: Myrna Alexander (MYRNA ALEXANDER@A1@WBHQB)
CC: ISHRAT HUSAIN (ISHRAT HUSAIN@A1@WBWASH)
CC: Alex Rondos (ALEX RONDOS@A1@WBHQB)
CC: KATHERINE BAIN (KATHERINE BAIN@A1@WBWASH)
CC: NATHALIE LENOBLE (NATHALIE LENOBLE@A1@WBWASH)

A L L - I N - 1 N O T E

DATE: 11-Sep-1996 09:02am

TO: FRANCISCO AGUIRRE-SACASA

(FRANCISCO AGUIRRE-SACASA@A1@WBW

FROM: Andres Liebenthal, OEDD3

(ANDRES LIEBENTHAL@A1@WBHQB)

EXT.: 82507

SUBJECT: Large dams report to IUCN?

Francisco,

In response to your query, I suggest that we hold off on distributing the report to the IUCN until after the CODE discussion, when we will have a clearer idea of how to proceed. As I understand it, IUCN would immediately distribute the report to their main constituents, or at least their main experts, interested in large dams, which would greatly increase the chances of a leak.

Regards, Andres

CC: ROBERT PICCIOTTO

(ROBERT PICCIOTTO@A1@WBWASH)

CC: ALAIN BARBU

(ALAIN BARBU@A1@WBWASH)

The World Bank
Washington, D.C. 20433
U.S.A.

ROBERT PICCIOTTO
Director-General
Operations Evaluation

September 4, 1996

Ms. Marie Dennis
Chair
Religious Working Group on
the World Bank and the IMF
P. O. Box 29132
Washington, DC 20017

Dear Ms. Dennis:

Thank you for the opportunity. We too look forward to a continued dialogue on development issues.

Best regards,

Sincerely,

A handwritten signature in black ink, appearing to be 'R. Picciotto', written over a large, light-colored oval scribble.

Robert Picciotto
Director-General
Operations Evaluation

Religious Working Group on the World Bank and the IMF
P.O. Box 29132
Washington D.C. 20017

RECEIVED
96 SEP -4 AM 9:05

DGO

August 30, 1996

Robert Picciotto
Director-General, Operations Evaluation
The World Bank
1818 H Street, N.W.
Washington D.C. 20433

Dear Mr. Picciotto,

Please excuse my tardiness in writing to thank you for your interesting presentation to the Religious Working Group earlier in August. We very much appreciated your efforts and the participation of Mr. Gibbs, Mr. Jayarajah and your other staff members. The information you shared is most useful in our study of the impact of structural adjustment lending.

We look forward to continued dialogue.

Sincerely,

Marie Dennis

Marie Dennis
Chair, Religious Working Group
Associate Director, Maryknoll Justice and Peace Office

FINAC

Dear Ms Dennis:

Thank you for the opportunity.

We too look forward to continued dialogue on development issues.

Best,

etc.

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street N.W.
Washington, D.C. 20433
U.S.A.

(202) 477-1234
Cable Address: INTBAFRAD
Cable Address: INDEVAS

~~Chen~~
(1) FYI Mr. Picciotto,
(2) File
CG

August 12, 1996

Ms. Marie Dennis
Associate for Latin America
Maryknoll Justice and Peace Office
PO Box 29132
Washington DC, 20017

Dear Ms. Dennis,

Religious Working Group on the World Bank and IMF

Thank you for the opportunity to meet with you and members of the Working Group on August 8. I hope you found the meeting to be constructive. If there are specific issues you would like to follow up on, please do not hesitate to call me. I cannot guarantee an answer, but I shall do my best for you.

I wanted to follow up on one of the questions raised following Mr. Picciotto's presentation, concerning land reform. I have just read the latest draft of a Bank working paper that provides the rationale for reinvigorated investment in agriculture and the rural sector and realize that more is happening on land reform than we alluded to in our discussion. The paper, which is being finalized, will probably be released at the Bank's forthcoming conference on Environmentally Sustainable Development to be held at George Washington University on September 25-27, 1996. It points the way for the Bank to do more operationally to support land reform, and highlights specific Bank-supported pilot activities in land reform Russia, South Africa, El Salvador, Nicaragua, Bolivia, Colombia, and Brazil. Copies of the paper should become available shortly from the office of Mr. Ismail Serageldin, Bank Vice President for Environmentally Sustainable Development (202-473-4502), and details of the conference are available now via e-mail at ESDCO@worldbank.org, or on the ESD home page on the World Wide Web at <http://www-esd.worldbank.org>.

Yours sincerely,

Christopher Gibbs

Christopher Gibbs, Senior Evaluation Officer
Operations Evaluation Department

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: August 6, 1996 06:11pm

TO: Robert Picciotto

(ROBERT PICCIOTTO@A1@WBWASH)

FROM: Lyn Squire, PRDDR

(LYN SQUIRE@A1@WBHQB)

EXT.: 36099

Sent By: Carol Best

SUBJECT: RE: FYI

Bob:

Thanks for the warning and the offer to help. We'll keep you informed.

Lyn

CC: MARK MALLOCH BROWN

(MARK MALLOCH BROWN@A1@WBWASH)

CC: Mark Baird

(MARK BAIRD@A1@WBHQB)

CC: PABLO GUERRERO

(PABLO GUERRERO@A1@WBWASH)

CC: FRANCISCO AGUIRRE-SACASA

(FRANCISCO AGUIRRE-SACASA@A1@WBW)

CC: DGO FILES

(DGO FILES@A1@WBWASH)

CC: INSTITUTIONAL ISC FILES

(INSTITUTIONAL ISC FILES@A1@WBWA)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: August 6, 1996 05:21pm

TO: ARMEANE CHOKSI

(ARMEANE CHOKSI @A1@WBHQB)

FROM: Robert Picciotto, DGO

(ROBERT PICCIOTTO)

EXT.: 84569

SUBJECT: We talked !

CC: DGO Files

(DGO FILES)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: August 6, 1996 05:06pm EST

TO: Lyn Squire (LYN SQUIRE @A1@WBHQB)

FROM: Robert Picciotto, DGO (ROBERT PICCIOTTO)

EXT.: 84569

SUBJECT: RE: FYI

Lyn:

While process is important, this is not to say that what the NGOs recommend (with the best of intentions) is the optimum process. There should be room for negotiation and compromise.

In particular, sequencing is crucial to avoid a perverse Hawthorne effect. Unless the methodology is firmed up upfront with the principals and relevant fact finding is handled without political interference, the participatory process may end up being altogether counterproductive in terms of learning.

Besides, from an evaluation perspective, different methodologies imply different participatory processes.

Hence, my advice (from the sidelines obviously) is that you should challenge the current NGO draft now and include in the agreed version all the safeguards you and your Bank colleagues consider necessary for a decent study -- including a methodology. If you do not, the process will take a life of its own.

Sorry to play Cassandra on this one. It may well be that I am not in possession of all the facts and that I am worrying unduly. In any case, good luck and do not hesitate to call on OED for help.

Bob

CC: MARK MALLOCH BROWN	(MARK MALLOCH BROWN)
CC: ULRICH THUMM	(ULRICH THUMM)
CC: Mark Baird	(MARK BAIRD @A1@WBHQB)
CC: Institutional ISC Files	(INSTITUTIONAL ISC FILES)
CC: Pablo Guerrero	(PABLO GUERRERO)
CC: Francisco Aguirre-Sacasa	(FRANCISCO AGUIRRE-SACASA)
CC: DGO Files	(DGO FILES)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: August 6, 1996 05:06pm

TO: Lyn Squire (LYN SQUIRE @A1@WBHQB)

FROM: Robert Picciotto, DGO (ROBERT PICCIOTTO)

EXT.: 84569

SUBJECT: RE: FYI

Lyn:

While process is important, this is not to say that what the NGOs recommend (with the best of intentions) is the optimum process. There should be room for negotiation and compromise.

In particular, sequencing is crucial to avoid a perverse Hawthorne effect. Unless the methodology is firmed up upfront with the principals and relevant fact finding is handled without political interference, the participatory process may end up being altogether counterproductive in terms of learning.

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Sorry to play Cassandra on this one. It may well be that I am not in possession of all the facts and that I am worrying unduly. In any case, good luck and do not hesitate to call on OED for help.

Bob

CC: MARK MALLOCH BROWN	(MARK MALLOCH BROWN)
CC: ULRICH THUMM	(ULRICH THUMM)
CC: Mark Baird	(MARK BAIRD @A1@WBHQB)
CC: Institutional ISC Files	(INSTITUTIONAL ISC FILES)
CC: Pablo Guerrero	(PABLO GUERRERO)
CC: Francisco Aguirre-Sacasa	(FRANCISCO AGUIRRE-SACASA)
CC: DGO Files	(DGO FILES)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: August 6, 1996 03:10pm

TO: Robert Picciotto (ROBERT PICCIOTTO@A1@WBWASH)

FROM: Lyn Squire, PRDDR (LYN SQUIRE@A1@WBHQB)

EXT.: 36099

SUBJECT: RE: FYI

Bob:

Thanks for the EM. Your proposal is similar to the one we produced earlier in the year. It was rejected (rightly in my view) by the NGOs on the grounds that the process i.e., participation by civil society is critical. At the same time, we have insisted on a rigorous methodology (which will be worked out later and will not accept the idea of "denying government policies" at the Phase II forum. We will insist on these changes before the note is finalized.

Lyn

CC: MARK MALLOCH BROWN (MARK MALLOCH BROWN@A1@WBWASH)
CC: ULRICH THUMM (ULRICH THUMM@A1@WBWASH)
CC: Mark Baird (MARK BAIRD@A1@WBHQB)
CC: Institutional ISC Files (INSTITUTIONAL ISC FILES@A1@WBWA)

A L L - I N - 1 N O T E

DATE: 06-Aug-1996 03:00pm

TO: Rachel Weaving
TO: Robert Picciotto

(RACHEL WEAVING)
(ROBERT PICCIOTTO)

FROM: Christopher Gibbs, OEDD1

(CHRISTOPHER GIBBS)

EXT.: 31735

SUBJECT: NGO Concerns about Adjustment

In preparation for Thursday's meetings with the Religious Working Group on the Bank, I thought it might be useful to rehearse some of the common NGO criticisms of structural adjustment. Most of these criticisms concern how adjustment is implemented. Some concern the adjustment process itself. In summary:

1. Too many policy changes are advocated without reference to their impact on the poor. Concern for poverty reduction should be built into adjustment programs from the outset.
2. People who might know what the impacts of adjustment on the poor are likely to be are not consulted when adjustment programs are defined.
3. The poor are too often treated as a homogeneous group. At best the rural/urban distinction is maintained. This is insufficient.
4. Little effort is made to assess the environmental consequences of reforms, such as logging of tropical forests or development of non-traditional crops.
5. Too much emphasis is placed on promotion of a growth process - any growth process, not growth that helps to reduce poverty, i.e. the pattern of growth matters and we know too little about it.
6. The IMF and WB are ideologically wedded to promotion of private sector development, diminishing the role of the state unduly.
7. There is undue emphasis on the promotion of international trade in a world where Northern protectionism keeps the playing field uneven.
8. If all poor country debt was cleared today, a new debt crisis would emerge shortly because of high interest rates, low commodity prices, and Northern protectionism.
9. Reforms are often too sudden and sweeping. If they are not pro-poor, they will be socially damaging. The poor are the least well equipped to cope with adjustment.
10. The Bank and IMF (and Northern governments) hold poor country governments to higher standards on economic management than Northern governments hold themselves, e.g. on budget deficits, subsidies, public sector spending, protectionism etc.
11. Terms of trade have moved against poor countries because of the actions of Northern governments. This undermines the likelihood of adjustment programs succeeding.
12. Adjustment is not working, or is working far less well than expected - there are too few good performers and good performances take too long to take hold, i.e. the pain is too protracted.

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: August 6, 1996 02:47pm

TO: LYN SQUIRE

(LYN SQUIRE @A1@WBHQB)

FROM: Robert Picciotto, DGO

(ROBERT PICCIOTTO)

EXT.: 84569

SUBJECT: FYI

CC: Francisco Aguirre-Sacasa O/R

(FRANCISCO AGUIRRE-SACASA)

CC: DGO Files

(DGO FILES)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: August 5, 1996 10:36pm EST

TO: LYN SQUIRE (LYN SQUIRE @A1@WBHQB)

FROM: Robert Picciotto, DGO (ROBERT PICCIOTTO)

EXT.: 84569

SUBJECT: Structural Adjustment Participatory Review

In the absence of Manuel Penalver, thank you for sharing the draft of the Joint Proposal dated July 31, 1996.

Given the high profile of the exercise, the conclusions will undoubtedly be used to influence public opinion. The results will hinge in large part on the countries selected and the approach used to evaluate "adjustment". Unfortunately, the proposal seems methodologically vague if not deficient.

It is far from clear whether the study will assess Bank/IMF programs or Government policies. Nor does the paper make clear how impacts will be measured, how the quality of policies will be "valued" or how non-policy factors will be netted out.

There are also severe problems with the proposed organization. It is designed as a political process. Transaction costs are likely to absorb a great deal of resources. The public forum technique of gathering information may well produce biased data. The negotiated approach to designing field surveys seems unsound. The use of phase 2 fora for designing government policies is fraught with risk.

Is it too late to reconsider the basic approach ? Why not simply prepare jointly agreed terms of reference and turn the survey over to respected research institutions and use the results for discussion in a conference involving government, the civil society and the Bretton Woods institutions ?

CC: Mark Malloch Brown (MARK MALLOCH BROWN)
CC: Ulrich Thumm (ULRICH THUMM)
CC: MARK BAIRD (MARK BAIRD @A1@WBHQB)
CC: DGO Files (DGO FILES)

File Mauverney 28
CH-1196 Gland
Switzerland
Tel : ++ 4122-999 00 01
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Telex : 419624 iucn ch

FAX

RECEIVED
96 DEC 24 AM 9: 50
DGO

Please reply to fax no.
++ 41 22 999 0002

TO: Mr Robert Picciotto
The World Bank
Washington DC
USA

001 202 522 3200

COPY: Achim Steiner

FROM: George Greene
Assistant Director General
Constituency Development

23 December 1996

It was a pleasure to meet with you last Friday.

Please find attached a short summary of the general discussion we had on potential World Bank and IUCN collaboration in monitoring and evaluation. I would appreciate receiving your concurrence of the note and/or comments as you may deem appropriate. A separate more detailed report of our meeting on preparing the large dams workshop will follow.

With kind regards,



re: Meeting with Robert Picciotto, Director General, Operations Evaluation
Department, World Bank

Mersie Ejigu, Per Rycén, Pat Dugan and George Greene met on 20 December 1996 with Robert Picciotto to discuss possibilities for IUCN - World Bank collaboration in evaluation. Per Rycén outlined IUCN's approach in working at the field level to develop project evaluation capacities and to link this to programme evaluation, in Eastern and Southern Africa, Central and South America. He admitted that the linkage from this work to a global level policy work was not that good and that we were looking to build our capacities both at the local and country level as well as in our HQ. Mr. Picciotto indicated a strong interest in the World Bank having access to ground level information having to do with beneficiary impact of World Bank projects and World Bank lending activities. His group has been working on methods for qualitative evaluations and how their results can be quantified to better understand the impact of World Bank operations. He feels that there is a greater emphasis needed on impact evaluation, including social and environmental aspects, but more broadly on beneficiary impact and on assessment on a sector wide basis beyond individual loan operations.

During this short meeting, two possible areas of collaboration for IUCN and the World Bank were identified. The first has to do with the intention of the OED to undertake an evaluation of the World Bank GEF biodiversity portfolio to look at performance on a range of projects. This work will be designed soon but will be undertaken over the next couple of years. There is an opportunity here for IUCN to assist the World Bank to look at a representative sample of projects and to design into them the necessary information collection which would allow impact assessment to be done at a later stage. Such work would be an example of a natural resources sector evaluation, where there is an obvious overlap between the World Bank and IUCN interests. This work could be linked to the work being done by Jeff McNeely's group on trying to identify measures for assessing progress in the implementation of the Biodiversity Convention.

The second area which was identified was the possibility of looking at one or two countries where the World Bank has lending operations and where IUCN has been active in conservation and natural resources management. Mr. Picciotto mentioned that the Swiss Development Corporation was very interested in doing such work and was looking to develop a development effectiveness trust fund which would allow the Bank to do better evaluations. Given the funding by SDC of IUCN's activities in various countries, this provides a good opportunity for a three way undertaking involving IUCN, The World Bank and the Swiss. The following countries were identified as possibilities for such activity:

- Nepal
- Bangladesh
- Niger
- Guinea Bissau
- Burkina Faso (possibly)

Mr. Picciotto identified Roger Slade, as the Division Chief in his Department responsible for the renewable resources sector and who would be the lead person for IUCN to contact on both these initiatives. This would allow IUCN and the World Bank to cooperate given their relative strengths and weaknesses. For example, IUCN has strengths in its field network of both project and programme offices and members and strengths in conservation environmental assessment. On the other hand, IUCN needs to develop its monitoring and evaluation methodologies and its macro-policy understanding, both areas in which the World Bank is strong.

It was agreed that OED would prepare a short note to IUCN outlining these two areas, including more detailed description of the World Bank's objectives. We would then respond on how we would see collaboration with OED.

GDG/jth
24 December, 1996

cc : M Egjiu
M Halle
A Steiner
P Rydén
P Dugan
N MacPherson

** Staple this form as close to top edge of envelope as possible **

THE WORLD BANK GROUP

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From (print clearly) R. PICCIOTTO	Room No. 9-7121
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Recipient's Name	Receipt Date	Receipt Time
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No recipient present at delivery time. Item left in room _____

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0041

S-5029



Gloria
Davis

I visited IUCN last
week. They asked
me to carry this —
for you. If you get
more copies, let me
have one! Merry Xmas...

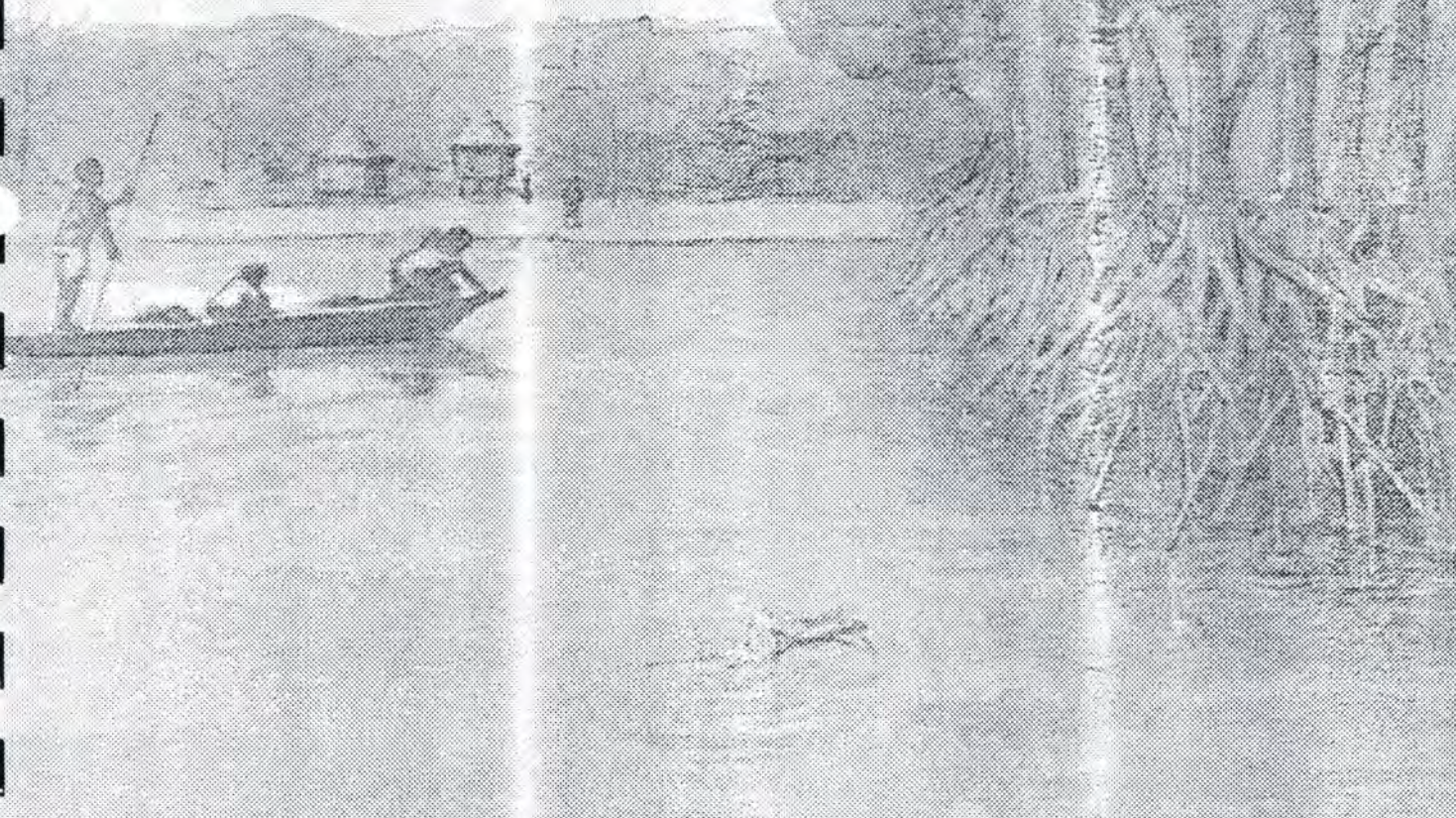
Bob Piccini

 12/22

Beyond Fences

Seeking Social Sustainability in Conservation

**VOLUME 1:
A Process Companion**



Beyond Fences

Seeking Social Sustainability in Conservation

VOLUME 2:

A Resource Book



IUCN

International Bank for Reconstruction and Development

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COMMITTEE ON DEVELOPMENT EFFECTIVENESS

OCT 24 2022

WBG ARCHIVES

CODE96-83

FROM: The Secretary, Committee on Development Effectiveness

December 17, 1996

NGOs AND CIVIL SOCIETY: DEFINITIONS AND CLASSIFICATION

Attached for information is a note clarifying the terms "NGOs" and "Civil Society" which are both frequently used by Bank staff but which have significantly different meanings. The note was prepared to facilitate the discussion at the CODE meeting scheduled for December 18, 1996.

Questions on this document should be addressed to Mr. Clark (ext. 31840).

Distribution

Committee

Mr. Alyahya
Mr. Bourhane
Mr. Good
Mr. Hubloue
Ms. Jacoby
Mr. Nicholl
Ms. Piercy
Mr. Singh

For Information

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Mr. Picciotto
Mr. Rigo
Mr. Rischard
Mr. Sarbib
Mr. Serageldin
Mr. Stevenson
Mr. Wood

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NGOs and Civil Society: Definitions and Classification

A. Civil Society

The Bank has for many years talked about Non-Governmental Organization (NGOs), but more recently has frequently used the term “Civil Society”. Do the terms mean the same, or are they used interchangeably in the Bank?

Civil society is a broader term, embracing a wider variety of organizations, as well as social forms which cannot be called organizations.

As is stated in the Social Development Task Force Report, “by ‘civil society’ we mean the web of associations, social norms and practices that comprise activities of a society as separate from its state and market institutions. A healthy, strong civil society requires institutions with strong intellectual, material and organizational bases, which represent, all social groupings. It also requires an open, constructive interaction between the civil society organizations (CSOs) and the State and Market sectors.”

Besides NGOs, civil society includes:

- * Traditional and novel community based organizations (CBOs)
- * Religious organizations (churches, mosques, temples, etc.)
- * Foundations
- * Guilds
- * Professional associations
- * Labor unions/Mass membership organizations (e.g. peasants’ or women’s associations)
- * Private sector bodies (such as local chambers of commerce or trade federations)
- * Consumers’ unions and watchdog bodies
- * Academic institutions
- * The media
- * Political parties
- * Pressure groups

Elements of civil society can be negative (as many ethnic tensions attest) but civil society organizations can make important contributions to development such as:

- **Support** for distinct population groups which may be vulnerable (women, nomads, disabled, etc.) or not vulnerable (such as professional associations, powerful ethnic groups).
- **Social cohesion**: providing individual protection through community support, social norms, addressing dysfunctional schisms within society.
- **Promoting good governance**: human rights, freedom of association, pluralism, transparency, accountability of government, decentralization.

- **Participation:** enabling citizens to have levels of choices they require and greater influence over decisions that affect their lives directly (good governance at the local level).
- **Advocacy:** single or multiple-issue pressure groups
- **Religious freedom**
- **Provision of services** parallel to or not available from state and private sector
- **Developing new innovations and “gap-filling”**

B. NGOs

As defined by the Bank’s Operational Directive on NGOs (OD 14.70, 1989), “NGOs include a wide variety of groups and institutions that are entirely or largely independent of government, and characterized primarily by humanitarian or cooperative, rather than commercial, objectives.” The OD went further to say that the Bank’s interest is principally with “private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development.”

The draft GP14.70 which will replace this OD, in keeping with “NGOs and the Bank”¹, elaborates the 1989 definition by saying that:

“The term NGO refers to a myriad of different types of organizations. At its broadest, it includes all groupings of individuals that fall outside the public and for-profit sectors, whether legally constituted or informal, established or transient. The term also includes community-based organizations (CBOs) - usually formed to serve the interests of their own members (or community) - and intermediary organizations - normally established to serve either the interests of a particular target group (e.g. CBOs, poor communities) or the common good (e.g., the environment). The distinction between these categories is not rigid: some CBOs, for example, may expand their activities to serve the common good, and certain intermediary NGOs may also function as membership organizations. In general, the interest of the Bank is restricted to those NGOs that work in the field of economic and social development, welfare, emergency relief, and environmental protection or that comprise or represent poor or vulnerable people.”

Two resources of the NGO Unit “Working with NGOs: A practical Guide to Operational Collaboration between the World Bank and Non-governmental Organizations” (March 1995), and “NGOs and the Bank” provide guidelines on the classification of NGOs. Further discussion on terminology will be included in a forthcoming NGO Unit report: “Handbook on Good practices for Laws Relating to NGOs”.

c:\nl\papers\ngodefin.doc

¹ *NGOs and the Bank: Incorporating FY95 Progress Report on Cooperation Between the World Bank and NGOs* (June 1996). This is the report which has been circulated to CODE members for this week’s discussions on NGOs.

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IUCN RECEIVED

The World Conservation Union

NOV 21 AM 10:26

DGO

Dr. Robert Picciotto
 Director General
 Operations Evaluation
 The World Bank
 Washington, DC 20433
 U.S.A.

Ref.: GDG/daj/World Bank

21 November 1996

Dear Dr. Picciotto,

Thank you very much for your letter of 31 October 1996 informing us of the status of OED's Phase I work on *World Bank Lending for Large Dams; A Preliminary Review of Impacts*. As we have discussed in May of this year, IUCN is interested in playing a role with the World Bank as a transparent and independent partner assessing the Phase I report and in helping to develop Phase II detailed field assessments. We welcome your suggestion that IUCN should have a substantive involvement in shaping the objectives and format for the workshop which is intended to meet these purposes.

Let me address some of the suggestions that you have made in your letter and to provide some comments on both the Phase I report and on the design and conduct of the workshop. First I would seek clarification on whether you see this as an event which is co-hosted by IUCN and The World Bank or whether you are seeking IUCN's assistance in putting together and carrying out a World Bank event. Based on the productive discussion we had with you last May, our assumption has been that IUCN and The World Bank together will specify the objectives, participation, and the nature and conduct of the meeting in order to ensure that the Bank is able to get as open and independent a review of the Phase I report as is possible, and the best possible advice on the design of Phase II. In this regard, while we have immense respect for the capacities of Maurice Strong, we would suggest that it might be better to either have the event co-chaired by a World Bank representative and an IUCN representative, or to identify an independent chair jointly who has the requisite facilitation skills, a sound knowledge of the issue, and familiar with the various points of view likely to be raised.

We see IUCN's role in this effort is that of a membership organisation of NGOs and governmental organisations, are able to bring to bear a broad spectrum of experience and points of view on the issue of the assessment of large dams. Through IUCN's expert Commissions, we are able to tap scientific and technical advice. As a membership organisation, IUCN will wish to ensure that our co-operation with The World Bank/OED, and all results of this work are available to IUCN members and other interested parties.

I would like to comment on the agenda and also on the results of the Phase I study which shaped the agenda that you have proposed. I have to state that we have some concerns with regard to the basic assumptions that we see in the Phase I report and in the agenda points on page 2 of your letter. IUCN believes that The World Bank has made substantial strides in developing procedures and standards for improved assessment of environmental and social considerations in large dams. However some of the basic assumptions that underlie the Phase I report would benefit from further

Dr. Robert Picciotto

21 November 1996

Page 2

scrutiny and hope that the workshop will be able to address these issues. These include the need to look more broadly at the criteria for full assessment of large dams, and the need to identify alternatives for meeting sustainable development objectives. I do recall that at our lunch with Maurice Strong in May, he stressed the importance of looking at alternatives early on in the stage of assessing large dams. For example, in a particular situation there may be alternative energy or water supply technologies and approaches that allow similar economic and social objectives to be met by a country at a lower ecological impact. We also believe that there is a need to assess other basic assumptions having to do with the development of large dams in more detail, such as institutional capacities of countries to carry out proper assessment and implementation of projects, and whether countries have the capacity to implement mitigation measures.

A further point which we believe is important for the workshop, particularly in terms of designing the Phase II study, is to have a greater emphasis put on methodologies for assessment. If properly designed, the Phase II study should be able to test and implement broader and more detailed methodologies for assessment of sustainable development options including large dams, and should be able to develop standards for the design and performance of large dams.

To further our discussion, I would like to suggest that the objectives of the workshop could be the following:

1. To provide The World Bank with feed-back on its internal Phase I report, including identification of assessment elements that are missing in the Phase I study and that would help shape the Phase II study;
2. To develop a methodological framework for the Phase II study; and
3. To identify a transparent and professional process for the Phase II study, which would ensure sufficient participation to give weight and support to the results that would come out.

Let me now turn to your proposal for distribution of participants. We are in agreement with the general approach you propose, although we feel that there is a need for further discussion on the numbers in each category. In this regard, I would suggest that it is important that representatives of some of the more critical elements of the NGO community be involved in the meeting to ensure that there is no suggestion that the meeting is unrepresentative or that The World Bank and IUCN are trying to limit the points of view that are expressed. We also believe that there might be a need for stronger representation from public agencies if we are to ensure the range of expertise from the financing side, from the infrastructure development side and from both industrialised and developing countries. We also think it is important that expertise from the private, NGO and governmental sectors cover experience in human rights and resettlement issues, and experience in energy and climate issues. On another point, we would agree with you that it would be important for us to discuss together and plan the external relations aspects of the event.

With respect to the question of timing of the workshop, we wonder if there would be an opportunity to hold the workshop a little bit later than your suggestion of February or March 1997. It may be possible for it to be organised in this time, but we want to ensure that sufficient time is given for identification of the appropriate participants and for their preparation, including in the form of short papers that you have proposed. With regard to location, IUCN is prepared to offer the conference facilities at its Headquarters in Gland, Switzerland for the conduct of the workshop and would be prepared to help co-ordinate the necessary logistical arrangements for the planning and the running of the workshop. With regard to the issue of cost, I suggest that we review the options in a meeting with you. As you know IUCN is not a funding institution, but relies on external funding for its activities. Our contribution can thus rarely be measured against the money we can contribute towards workshops such as this one. However, we do accord priority to this initiative. Our contributions would be in the form of the time of our policy and technical staff in helping prepare the workshop and, as I have mentioned, in the provision of facilities and the logistical organisation of the

Dr. Robert Picciotto

21 November 1996

Page 3

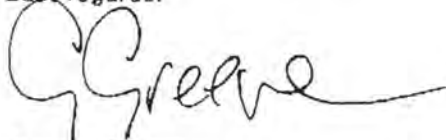
workshop. If OED has financial constraints in funding the workshop, I might suggest that we together work to identify a third party source for funding, such as one of the bilateral trust funds at The World Bank.

Regarding the IUCN team, David McDowell will have an overview role, particularly to draw links between his proposed involvement in the Nam Theun 2 Hydroelectric Project Advisory Group and this effort by OED. I will lead the IUCN team in conjunction with my colleague Mersie Ejigu and will work with you to ensure that the appropriate processes, both for the workshop and for follow-up activities, are put in place. Scott Hajost and Achim Steiner will remain as our principal points of contact in Washington for ensuring coherent communications between IUCN and The World Bank. We will assign Dr. Jean-Yves Pirot, who has long experience in water resources management issues, to ensure the technical input of IUCN. He will bring to bear the expertise on large dams of various IUCN technical units, regional and country offices, and will also draw on expertise in the IUCN Commissions and among some of our principal members involved in large dam issues. We would welcome information on the composition of your team including participation from other elements of The World Bank Group.

Finally I would like to echo your sentiments in looking forward to fruitful collaboration on this important conservation and development topic and to working with you in co-hosting the workshop and possibly in continuing involvement in the Phase II assessment. Our objective in participating in this review is to offer IUCN as a means for engaging a broad constituency of professionals and interested parties in addressing this critical conservation/development issue. We view this as an opportunity to demonstrate the value of the complementary partnership we have been developing during the last 18 months with The World Bank.

I propose that, as a next step, Scott Hajost and Achim Steiner should meet with you and your team this to discuss details of the workshop design and planning work.

Best regards.



George Greene
Assistant Director General
Constituency Development

Copy to: David McDowell
Achim Steiner
Andrew Steer

International Bank for Reconstruction and Development

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COMMITTEE ON DEVELOPMENT EFFECTIVENESS

OCT 24 2022

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FROM: The Secretary, Committee on Development Effectiveness

November 8, 1996

Approach Paper - OED Study: The Contribution of NGO's Bank-supported Projects

Attached is the approach paper for *Contribution of NGO's Bank-supported Projects* prepared by Operations Evaluation Department. This approach paper will be considered at an upcoming meeting of the Committee on Development Effectiveness.

Question on this document should be addressed to Mr. Slade (ext. 81293).

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APPROACH PAPER

THE CONTRIBUTION OF NGOs IN BANK-SUPPORTED PROJECTS

Introduction and Rationale

1.1 Non-governmental organizations—NGOs—are important actors in development. About 15 percent of official development assistance is channeled through NGOs, amounting to some US\$8 - 9 billion annually. NGOs are also important to Bank-supported projects. Since 1989, Bank policy has encouraged the involvement of NGOs, particularly local NGOs, in project design and implementation, including in monitoring, evaluation, and training.¹ But little is known about the contribution of NGOs to project performance or the effects on NGOs of working with governments and the Bank.

1.2 The hallmark of success of Bank-supported operations is sustainable development impact on the ground. The Bank's ability to support this aim is increasingly dependent on NGOs, and on effective NGO partnerships with governments and the Bank. An improved understanding of the processes and outcomes associated with working with NGOs would help the Bank decide when involvement with NGOs is likely to be beneficial. Borrowing governments and NGOs would also benefit from an improved understanding each other's operational strengths and weaknesses.

1.3 This study will assess the contribution of NGOs to the performance of Bank-supported projects. The study has been designed in consultation with the NGO-World Bank Committee, which will be consulted during study implementation. Comments on the draft study design have been sought from national and international NGOs, the Bank's NGO liaison staff in resident missions, and Bank staff at headquarters with special responsibilities for NGOs and participation. Following CODE's endorsement, the design will be shared with the governments of countries where case studies are planned.

2. The Extent of Bank-NGO Relations in Operations

2.1 NGO involvement in Bank-supported operations grew steadily over more than two decades, and sharply since 1989. NGOs are involved in 50 percent of projects approved by the Bank in FY94, in 41 percent of projects approved in FY95², and in 48 percent of projects approved in FY96.³ By FY96, NGOs were involved in more than 720 projects.⁴ But the extent of NGO involvement varies from minimal to substantial, and

1. The Bank operational directive on working with NGOs is OD 14.70, adopted on August 28, 1989.

2. World Bank, *NGOs and the Bank: Incorporating FY95 Progress Report on Cooperation between the World Bank and NGOs*, Poverty and Social Policy Department, June 1996.

3. World Bank, *Cooperation Between the World Bank and NGOs: FY96 Progress Report (Draft)*. Poverty and Social Policy Department, October 1996.

4. Bank NGO Unit Database.

while the Bank's NGO database records *actual* NGO involvement during project preparation, it records only *intended* NGO involvement during project implementation.

2.2 Two-thirds of Bank-supported projects with NGO involvement (almost 500 projects) are in the agriculture, PHR, and social sectors. Seventy percent of these projects have been approved since 1990. Regionally, the highest incidence of projects with NGO involvement is in Africa (321 projects or 44 percent of the total), followed by Asia (200 projects or 28 percent of the total), and LAC (133 projects or 18 percent of the total).

2.3 The commonly cited reasons for involving NGOs in Bank-supported projects are to promote participation, as a source of expertise, as a means of targeting beneficiaries and improving cost-effectiveness. Of the 122 projects with NGO involvement approved in FY96, NGOs are more likely to be involved in project implementation (65 percent) and operation and maintenance (73 percent) than in project design (43 percent). Recent projects with NGO involvement are also more likely to be aimed at poverty reduction (68 percent) and environment management (43 percent) than at other objectives. Among FY96 projects with NGOs, 53 percent involved community-based organizations (CBOs), 74 percent involved national NGOs, and 15 percent involved international NGOs.

3. Study Objective and Expected Outcome

3.1 The objective of this study is to assess the contribution NGOs make to development effectiveness "on the ground". The study will focus on project outcomes, the processes which explain those outcomes, and the side-effects of NGO involvement.

3.2 The Bank claims that partnerships between NGOs, borrowers and the Bank contribute to poverty reduction and sustainable development impact.⁵ Thus, the starting point for this study is the overarching question:

- does NGO involvement increase the development effectiveness of projects supported by the Bank?

A comprehensive response requires specific answers to the following questions:

- if NGO involvement improves the performance of Bank-supported projects, where, how and under what circumstances is this achieved? And what can the Bank do to strengthen good performance further?
- if NGO involvement does not improve the performance of Bank-supported projects, or if improvement is achieved only at a high cost, what constrains NGO performance? And what can the Bank do to relieve these constraints?

5. *Effective Implementation: Key to Development Impact*, Report of the Portfolio Management Task Force, ("The Wapenhans Report"), September 22, 1992.

- are there circumstances when NGO involvement in Bank-supported projects should not be sought, because it is likely to be ineffective or disadvantageous for the stakeholders involved?

3.3 Thus the study aims to produce findings that are operationally relevant. Operational relevance will be sought by asking stakeholders—NGOs, borrowers, and the Bank—what they believe supports or constrains performance in Bank-supported projects⁶; by focusing the study on the lessons of experience; and by identifying best practices. The study will examine completed projects and projects under implementation, and develop forward-looking recommendations based on its findings.

3.4 In support of this pragmatic focus, the study would provide guidance for such operational policy questions as:

- what do NGOs contribute most to project performance?
- to what types of projects are NGOs best suited?
- are some types of NGOs better suited to certain kinds of projects?
- how should NGOs be identified to participate in Bank-supported projects?
- when and how should NGOs become involved in Bank-supported projects?
- what encourages effective NGO involvement in Bank-supported projects?
- what constrains effective NGO involvement in Bank-supported projects?
- how are NGOs affected by involvement in Bank-supported projects?

4. Main Study Hypothesis

4.1 Based on the perceived comparative advantage of NGOs and OED performance criteria, working hypotheses can be defined for this study which address when and how NGOs are most effectively involved with Bank-supported projects. Recognizing that NGO involvement in Bank-supported projects is extremely varied in practice, the main study hypothesis is that:

- the effectiveness of NGO involvement in Bank-supported projects (or project components or tasks) is the product of the interaction between: (i) the environment for NGOs in the country; (ii) the relationships between NGOs, governments, and the Bank; and (iii) the capacities of NGOs to make relevant and timely decisions about policies, priorities, and resource allocations in their dealings with their funders, their operating partners, and their clients.

4.2 This hypothesis will be tested in three ways. First, the study will assess quantitatively whether borrowers and the Bank have involved NGOs in the projects and places, and at the times, where NGO experience and comparative advantage was relevant

6. Bank staff views on NGO involvement in Bank-supported work will be collected through Groupware or focus group sessions during the first phase of the study.

and timely. For example, if NGOs have a comparative advantage in reaching the poor, has the Bank involved NGOs in projects targeted at the poor?⁷

4.3 Second, through country case studies, the efficacy and efficiency of projects (or project components) with NGO involvement will be assessed by evaluating the extent to which such projects (or project components or tasks) (i) achieve their stated objectives, and (ii) are cost-effective. Each country case study aims to include at least four projects with substantial NGO involvement. Whenever possible, projects *with* NGO involvement will be evaluated against comparable projects *without* NGO involvement.

4.4 Third, the study will assess how NGO involvement contributes to institutional development and sustainability through the case studies. Again, whenever possible, similar projects *with* and *without* NGO involvement will be compared.

4.5 Recognizing the difficulty of generalizing from case studies, they will be chosen to reflect the breadth of the Bank's relationships with NGOs, to test the study hypotheses, and to support findings about best practices.

4.6 NGOs able to do applied field research, and independent research groups recognized by NGOs, will be chosen to partner OED in the preparation of the country case studies and the assessment of beneficiary views on project performance.

5. Schedule and Cost

5.1 Implementation of the study began in November 1996, and the final report will be completed at the end of 1997, or early 1998, and then submitted to CODE. The study will be completed in four phases: (i) preparation of an outline report that defines the operational issues raised by stakeholders and the analysis to be completed; (ii) quantitative and qualitative analysis of NGO involvement in Bank-supported projects and preparation of country case studies; (iii) final report preparation; and (iv) dissemination of study findings, including at least one tripartite workshop with stakeholders.

5.2 The study is estimated to cost US\$360,000, permitting completion of six country case studies and in-depth analysis of 24 projects with substantial NGO involvement. Cost sharing with bilateral evaluation groups is being pursued and this may lead to a reduction in OED's costs or, more desirably, an increase in the number of case studies.

7. A preliminary analysis suggests that this may be the case. Since 1980, 24 percent of Bank projects have had poverty alleviation as their primary objective, whereas 48 percent of projects with NGO involvement have had poverty alleviation as their primary objective. Similarly, 13 percent of Bank projects approved since 1980 have been designated as poverty targeted investments (PTI), whereas 35 percent of Bank projects with NGO involvement have been PTI-designated projects.

A L L - I N - L I N E N O T E

DATE: 06-Nov-1996 12:08pm

TO: See Distribution Below

FROM: John D. Clark, PSP (JOHN D. CLARK@A1@WBHQB)

EXT.: 31840

SUBJECT: NGO-World Bank Committee - Upcoming meetings for year 1997
Please note

There will be a fuller note in due course of the NGO-World Bank Committee and associated Steering Committee meetings.

For the present, I wanted to notify you of dates scheduled for meetings throughout 1997:

- March 4-5: European Meeting, Paris
- May 20-23: Steering Committee, Washington
- May 27: SIF event (with EDI), Washington
- About June 13: LAC meeting, Lima
- June 23: Asia meeting, Nepal
- Late June/Early July: Africa meeting
- October 20-25: Full Committee, Washington

John Clark.

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Document Date 01 November, 1996	Document Type Memorandum			
Correspondents / Participants To: Ms. Jan Piercy, Executive Director, U.S. From: Zhang Shengman, SECVP				
Subject / Title World Bank- NGO Study of Adjustment				
Exception(s)				
Additional Comments Declassification review of this record may be initiated upon request.		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.		
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Withdrawn by Sherrine M. Thompson	Date October 20, 2022			

Citizens' Structural Adjustment Participatory Review Network Steering Committee:

Charles Abugre	Third World Network (Africa)
Gemma Adaba	Public Services International
Peggy Antrobus	DAWN (International)
Manuel Chiriboga	ALOP (Latin America)
Steve Commins	World Vision (International)
Maria Clara Couto Soares	IBASE/Rede Sobre Institucoes Financeiras Multilaterais (Brazil)
Maria Teresa Diokno-Pascual	Freedom from Debt Coalition (Philippines)
Doug Hellinger	The Development GAP (U.S.)
Carlos Heredia	Equipo Pueblo (Mexico)
Kamal Malhotra	FOCUS on the Global South (Thailand)
Atherton Martin	Conservation Association of Dominica
John Mihevc	Inter-Church Coalition on Africa and the Halifax Initiative (Canada)
Roberto Rubio	FUNDE (El Salvador)
Gita Sen	External Gender Consultative Group (International)
Veena Siddharth	Oxfam International
Marijke Torfs	Friends of the Earth (U.S./International)
Hellen Wangusa	African Women's Economic Policy Network (Africa)

**Methodological and Procedural Guidelines
WB-NGO Review of Adjustment**

1. Government Participation

Both the NGO and Bank teams feel that government participation is essential to the success of this project. While government approval is necessary, both sides hope that governments will actively participate in all aspects of the exercise. Participation would entail providing commentary in the series of public meetings, including the opening and closing meetings in Washington, as well as assisting in the design of the investigatory fieldwork and final analysis.

2. The Process of Selecting NGO and Civil Society Groups

The selection of the NGO and civil society groups that will assume the NGO/CS leadership and compose the NGO/CS Steering Committee in each country will be decided on a democratic basis by an assembly of all concerned NGOs and civil society groups. Invitations will be made to all interested parties. Neither the Bank nor governments will have veto power over the participation or leadership of any one group, but they will be able to inform groups that they know of about the project. Those groups can choose to participate if they wish to do so. The goal is to make the NGO/CS group as broad and diverse as possible.

In the process of selecting candidate countries, the Global NGO/CS Steering Committee identified various known groups in each country and asked them to reach out to others in a preliminary assessment of NGO/CS capacity to carry out the project. In this process, the contact groups were not promised or in any way encouraged to think that they would lead the NGO group. It was clearly stated that the process would be determined by a transparent and broadly representative process once the selection process was allowed to start. The original contacts will initiate the process by informing other groups far and wide about the project and then convening a large meeting to elect the leadership.

3. Research Methodology

The WB-NGO Review of Adjustment has a unique mission: to combine the usage of qualitative, participatory data collection tools with quantitative, statistically representative tools in the analysis of policy impacts in such a way as to satisfy advocates of either method alone. It is not unique or new, per se, to combine qualitative and quantitative methods, though such attempts are at an early stage of development and present many interesting analytical challenges. However, this project is unique in that it presents the occasion for development practitioners from very different backgrounds to demonstrate and convince each other of the relative strengths of their various approaches, from qualitative, experiential, and rich in detail to quantitative and statistically powerful.

What are the potential gains from combining qualitative and quantitative methods? The benefits of quantitative data are perhaps more apparent; widespread trends and behaviors can be neatly measured and compared. Quantitative data can provide support for sweeping policy conclusions, and they can also be used to measure quality of life itself. But the disadvantages of quantitative data are that they can hide important differences in the underlying reasons for trends. A certain policy prescription may work in one country with a given set of macroeconomic or aggregate statistics, but not work in another. Often these differences can be discovered through observation or more informal types of analysis. Policy results are strongly conditioned by differences in behavior, resources, institutions, and infrastructure across cultures and regions; often these differences can only be discovered via qualitative approaches that emphasize listening rather than counting. Complex situations and policy impacts may also be best understood in a "nonlinear" framework in which qualitative analysis lends itself well. The combination is what is most powerful, however; allowing for an understanding of complexity and hitherto unknowns while also being able to measure, compare, and make necessary generalizations about policy impacts.

The hypotheses about policy impacts to be explored in the fieldwork will be posited by the in-country teams after a period of thorough consultation with all concerned groups, culminating in the in-country opening forum. While the policy issues may differ across countries, the methods of analysis will be consistent across countries. Three basic elements will be integrated into all of the analyses: 1) participatory methods of learning about the effects of policy at the micro level; 2) comparisons of the results of related studies and statistics from secondary data sources; and 3) quantitative tool cross-checks to determine the overall representativity of the analysis (i.e., can the same results be found in all similar regions across the country, and how to weigh the welfare gains of a certain policy vs. the losses). One such cross-check may be accomplished through the use of a short survey instrument that seeks to check the existence of similar relationships in all areas to those found in the original areas of the participatory analysis. Another type of statistical cross-check would be to conduct the participatory analysis on a nationwide (or region-wide) scale, thus building statistical representativeness into the research destination choices.

Various approaches will be used in the participatory analysis in order to examine issues from different angles. Different specific methods would be borrowed and combined from the range of thinking such as that of:

a) Rapid Rural Appraisal. Defined by K. Kumar as "falling within a continuum of various informal and formal modes of data collection that are used to provide decision-related information in development settings." The strengths of these methods are that they are quick and inexpensive and usually require no outside assistance. The weaknesses are that the information gathered may be more subjectively interpreted and that often the choice of interview subjects depends too heavily on convenience to the researcher. These methods

include key informant interviews, focus group interviews, community interviews, structured direct observation, and informal surveys.

b) Participatory Research Deepa Narayan describes participatory research as “a process of collaborative problem solving through the generation and use of knowledge.”

Participatory methods, as opposed to rapid appraisal methods, aim to actively involve project stakeholders in the design and evaluation of a project. It is a two-way process: participation encourages stakeholders to take further responsibility and initiative in the development of their community, and it provides crucial information to planners that cannot be obtained from more formal surveys. Specific methods include observation, open-ended to semi-structured interviews, workshop and discussion groups, and other techniques that use visual materials, drawing, and storytelling.

A range of techniques could be developed for each different investigation, but all country investigations will stress the use of methods that encourage participation in the spirit of the participatory methods that Narayan describes.

RECEIVED
96 NOV -6 AM 10:07
DGO

November 1, 1996

Mr. Robert Picciotto
The World Bank
Room G7-121
1818 H Street
Washington, DC 20433

Dear Dr. Picciotto,

A couple of weeks ago I spoke to Dr. Liebenthal expressing my concern at how IUCN's role in the proposed 'large dams review process' was being portrayed in meetings with NGOs, when no concrete discussion concerning IUCN's role has been held since we met in June.

As you will note from the attached correspondence this has raised both concern and criticism which will prejudice the role that IUCN could play in working with you on this controversial topic. To my knowledge we had agreed that IUCN and the World Bank would meet to discuss next steps once the 'internal desk review' had been completed.

In order to ensure that IUCN can play an effective role in this process it is essential that we are seen as a transparent and independent partner. During recent meetings with NGOs the impression that we were part of the desk study process was created which is not correct. IUCN has had no input so far and thus has no basis on which to be associated with this document.

Looking forward, I suggest that we try and meet after we have had an opportunity to review the 'internal desk study' to discuss how a workshop/consultation could be co-hosted if that is still intended from your side. Again I note in Dr. Liebenthal's letter that you have already determined some of the criteria for numbers and backgrounds of participants. May I suggest that decisions on these matters should be subject to discussion between partners co-hosting the event.

As indicated in our meetings a few months ago, IUCN recognises the 'large dams' review as an important opportunity for addressing a critical conservation/development issue in partnership with the World Bank. However, given the nature of the topic we need to be sensitive to our respective needs in such a process. I look forward to discussing the next steps with you in the near future.

Yours sincerely,



Achim Steiner
Senior Policy Advisor

CC: David McDowell, IUCN
George Greene, IUCN
Scott Hajost, IUCN/US
Mark Halle, IUCN
Andr s Liebenthal, World Bank
Andrew Steer, World Bank

October 25, 1996

Mr. Alex Wilks
Bretton Woods Project
35 Lower Marsh
London SE1 7RT
UK

Dear Mr. Wilks:

Re: OED Large Dams Study

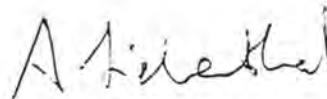
Thank you for your letter of October 15 with your comments and suggestions for the subject study. OED shares your interest in ensuring that Phase II of the study is carried out in partnership with key stakeholders.

To keep the discussions manageable and for budgetary reasons, we are planning to limit the preparatory workshop to 20-30 individuals that are representative of the views of governments, the private sector, the civil society and the academy. While we are aware of hundreds of NGOs that are active in dam-related issues, a discussion involving all of them would be too unwieldy at this stage.

I would therefore like to reiterate the offer I made during our earlier meeting to carefully consider any specific participants you may propose. The main requirement is that they be knowledgeable about dam-related issues and be able to represent the views of key constituencies that need to be taken into account.

I look forward to getting your specific proposals in this regard, if possible by November 20, along with some background and biographical information to explain your reasons for putting them forward. I am also pleased to attach a Précis which summarizes the findings of the Phase I report and our directions for Phase II.

Sincerely,



Andrés Liebenthal
Principal Evaluation Officer

Attachment

cc:

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File Title Director General Operations [DGO] - OEDDR - Shared Unit Files - External Affairs - Organizations - External - Non-Governmental Organizations [NGO] - Correspondence - Volume 1		Barcode No. 1738422		
Document Date 01 November, 1996	Document Type Memorandum			
Correspondents / Participants To: Ms. Jan Piercy, Executive Director, U.S. From: Zhang Shengman, SECVF				
Subject / Title World Bank- NGO Study of Adjustment				
Exception(s)				
Additional Comments Declassification review of this record may be initiated upon request.		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.		
		<table border="1"> <tr> <td>Withdrawn by Sherrine M. Thompson</td> <td>Date October 20, 2022</td> </tr> </table>	Withdrawn by Sherrine M. Thompson	Date October 20, 2022
Withdrawn by Sherrine M. Thompson	Date October 20, 2022			

Citizens' Structural Adjustment Participatory Review Network Steering Committee:

Charles Abugre	Third World Network (Africa)
Gemma Adaba	Public Services International
Peggy Antrobus	DAWN (International)
Manuel Chiriboga	ALOP (Latin America)
Steve Commins	World Vision (International)
Maria Clara Couto Soares	IBASE/Rede Sobre Institucoes Financeiras Multilaterais (Brazil)
Maria Teresa Diokno-Pascual	Freedom from Debt Coalition (Philippines)
Doug Hellinger	The Development GAP (U.S.)
Carlos Heredia	Equipo Pueblo (Mexico)
Kamal Malhotra	FOCUS on the Global South (Thailand)
Atherton Martin	Conservation Association of Dominica
John Mihevc	Inter-Church Coalition on Africa and the Halifax Initiative (Canada)
Roberto Rubio	FUNDE (El Salvador)
Gita Sen	External Gender Consultative Group (International)
Veena Siddharth	Oxfam International
Marijke Torfs	Friends of the Earth (U.S./International)
Hellen Wangusa	African Women's Economic Policy Network (Africa)

**Methodological and Procedural Guidelines
WB-NGO Review of Adjustment**

1. Government Participation

Both the NGO and Bank teams feel that government participation is essential to the success of this project. While government approval is necessary, both sides hope that governments will actively participate in all aspects of the exercise. Participation would entail providing commentary in the series of public meetings, including the opening and closing meetings in Washington, as well as assisting in the design of the investigatory fieldwork and final analysis.

2. The Process of Selecting NGO and Civil Society Groups

The selection of the NGO and civil society groups that will assume the NGO/CS leadership and compose the NGO/CS Steering Committee in each country will be decided on a democratic basis by an assembly of all concerned NGOs and civil society groups. Invitations will be made to all interested parties. Neither the Bank nor governments will have veto power over the participation or leadership of any one group, but they will be able to inform groups that they know of about the project. Those groups can choose to participate if they wish to do so. The goal is to make the NGO/CS group as broad and diverse as possible.

In the process of selecting candidate countries, the Global NGO/CS Steering Committee identified various known groups in each country and asked them to reach out to others in a preliminary assessment of NGO/CS capacity to carry out the project. In this process, the contact groups were not promised or in any way encouraged to think that they would lead the NGO group. It was clearly stated that the process would be determined by a transparent and broadly representative process once the selection process was allowed to start. The original contacts will initiate the process by informing other groups far and wide about the project and then convening a large meeting to elect the leadership.

3. Research Methodology

The WB-NGO Review of Adjustment has a unique mission: to combine the usage of qualitative, participatory data collection tools with quantitative, statistically representative tools in the analysis of policy impacts in such a way as to satisfy advocates of either method alone. It is not unique or new, per se, to combine qualitative and quantitative methods, though such attempts are at an early stage of development and present many interesting analytical challenges. However, this project is unique in that it presents the occasion for development practitioners from very different backgrounds to demonstrate and convince each other of the relative strengths of their various approaches, from qualitative, experiential, and rich in detail to quantitative and statistically powerful.

include key informant interviews, focus group interviews, community interviews, structured direct observation, and informal surveys.

b) Participatory Research Deepa Narayan describes participatory research as "a process of collaborative problem solving through the generation and use of knowledge."

Participatory methods, as opposed to rapid appraisal methods, aim to actively involve project stakeholders in the design and evaluation of a project. It is a two-way process: participation encourages stakeholders to take further responsibility and initiative in the development of their community, and it provides crucial information to planners that cannot be obtained from more formal surveys. Specific methods include observation, open-ended to semi-structured interviews, workshop and discussion groups, and other techniques that use visual materials, drawing, and storytelling.

A range of techniques could be developed for each different investigation, but all country investigations will stress the use of methods that encourage participation in the spirit of the participatory methods that Narayan describes.

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: August 5, 1996 09:41am

TO: Rachel Weaving

(RACHEL WEAVING)

FROM: Robert Picciotto, DGO

(ROBERT PICCIOTTO)

EXT.: 84569

SUBJECT: Religious Working Group
A slightly revised version

CC: Christopher Gibbs

(CHRISTOPHER GIBBS)

CC: Carl Jayarajah

(CARL JAYARAJAH)

CC: Ulrich Thumm

(ULRICH THUMM)

CC: DGO Files

(DGO FILES)

DRAFT

POVERTY, ADJUSTMENT AND THE WORLD BANK

Robert Picciotto
Director-General, Operations Evaluation
The World Bank

"There are clearly tradeoffs in trying to put rationality into the quest for equity and humanity into the quest for efficiency ... this inescapable conflict may be the reason why capitalism and democracy need each other."

Pedro Malan
Minister of Finance
Government of Brazil

Presentation to the Religious
Working Group

August 8, 1996

Washington D.C.

I deeply appreciate the opportunity of being with you today. You are part of the associational revolution which is sweeping the world. You are also part of the struggle against global poverty, the most important challenge facing humanity today.

The Poverty Reduction Challenge

The crusade against poverty needs new recruits : the battle is raging and the outcome is uncertain.

To be sure, since 1980, rapid economic growth in some countries has pulled 1.5 billion people out of poverty. Taking account not only income but also education, life expectancy and other things that make life worth living, the aggregate quality of human life has improved by 44% since 1980 according to the United Nations Development Program's recent Human Development Report. Even in Africa quality of life standards have improved by 21% since 1980 and by nearly 90% since 1960. And fifteen countries, mostly in Asia, have seen the incomes of their citizens double in a decade. They eat better, live longer, get a better education and can find a better job at the end of it.

But, at the other extreme, galloping demography and economic stagnation still plague too many countries. Today 70 countries have lower average incomes than in 1980 and an alarming 43 are poorer even than they were in 1970. As a result, the number of people living on less than one dollar a day -- 1.3 billion -- has continued to rise. Where are the poor ? Mostly in Asia (930 m), in sub-Saharan Africa (220 m) and in Latin America (110 m). The gap between the poorest and the richest countries is large and growing.

Over the past 30 years, incomes in countries with the richest 20% of the world population grew nearly three times as fast than in countries with poorest 20%. Half a million women die each year from preventable maternity related complications. Seven million people die every year from easily preventable and treatable diseases. Dirty water and pollution kill nearly 8 million children a year. Fifty million children are mentally or physically impaired because of inadequate nutrition while 130 million children -- 80% of them girls -- are denied schooling. A child born in sub-Saharan Africa today is more likely to be malnourished than to go to primary school and is as likely to die before the age for five as to enter secondary school.

Even such dire facts do not tell the whole story. Poverty statistics are people with the tears wiped off. They do not describe the heroic daily struggle for survival which is the lot of the poor. A decline in public funding for basic infrastructure and social services usually means reduced access for the poor and more time and household income of the poor allocated to satisfying basic needs. With labor being the poor's main asset, a

frequent response is the mobilization of additional labor within the family -- principally women's labor but in the poorest households, child labor as well. Eventually, adverse economic conditions put such pressure on human relationships that families disintegrate and domestic violence erupts. At the community level, social capital cushions the impact but local capacity to cope has limits and, without outside support, community trust breaks down and the risks of lawless behavior and civil strife rise.

What is to be done ? A three prong strategy is needed to vanquish poverty. First, economic growth. Second, targeted interventions. Third, safety nets for vulnerable groups. All three depend on the the quality of economic policies. These policies in turn need to be tailor made to individual country and local circumstances and adapted to the changing requirements of the global economy. But while policy matters, policy is not everything : other factors matter too -- the capacity of domestic institutions, the international economic environment and what economists call initial conditions (including distribution of such assets as land and the volume and structure of debt).

In other words, poverty reduction is not simply a matter of policy adjustment. But policy adjustment is fundamental and its pursuit has recently become central to the work of the World Bank in developing countries. Hence, your request for me to concentrate on adjustment in my presentation. Accordingly, I will address the following questions. What are the objectives of adjustment operations financed by the World Bank ? How have they evolved over the years ? What have been the results ? And finally, the bottom line question : how have the poor fared ?

The Bank's Role

At the outset, it is important to make the limits of the World Bank's role clear. We live in a world of states -- not in a world state. The World Bank is not part of a global government. It is a cooperative development agency, a kind of credit union for its member governments. World Bank funding involves repayment obligations. Conditions associated with Bank lending are negotiated with -- and incurred by -- sovereign governments. Therefore, the reforms which World Bank funding support are largely designed and implemented by the borrowing member countries.

All the World Bank can do is to provide advice, deliver financial support, keep track of the results and position its assistance program to reflect country performance and country needs. In this context, and within the framework of its articles of agreement and its policies (which prevent the Bank from interfering with the political affairs of its member countries) the World Bank can exercise leverage, of course, but this leverage represents an art of the possible, based on mutual respect, cooperation and long term engagement.

What is Adjustment Lending ?

In conjunction with programs backed up by the International Monetary Fund, adjustment loans are designed to help World Bank member countries design and implement appropriate economic policies and to help cushion the social dislocation associated with reform.

The basic pre-requisite of sound macroeconomic management is one of restoring balance to the internal and external accounts (and therefore reducing inflation and restoring stability to exchange reserves) through monetary policy, fiscal policy and exchange rate policy. It goes without saying that if the rich countries were to adopt fiscal reform themselves, as well as less protectionist policies and more generous aid programs vis a vis the developing world, the degree of stabilization required of developing countries would be reduced and the benefits of adjustment lending would be enhanced.

To qualify as an adjustment program, stabilization measures must now be complemented by a mix of supply side measures to improve the quality of public expenditures and the transparency and competitiveness of the business environment, to remove market imperfections, to improve skills and labor mobility, to revamp fiscal policies and/or to introduce sector reforms in trade, finance, agriculture, industry, energy and public enterprises.

In part, the controversies surrounding adjustment lending reflect confusion about the objectives of an instrument which was never expected to address issues of political governance or to supplant specific projects or sector investment loans. But they also reflect genuine technical complexities, the need for trade-offs among policy objectives, the necessity of sequencing of reforms which arises out of capacity constraints and the complex interactions between supply side policies and demand management issues, many of which are poorly understood.

Typically, stabilization requires temporary cuts in public expenditures (to reduce public deficits) and higher interest rates (to control the money supply and reduce inflation). Until supply side actions take root, productivity increases and confidence returns, this may lead to a pause in investment and reduced if not negative growth. Of course, the extent of deflation is blunted by outside funding but high debt burdens may complicate the construction of adequate financing packages.

Thus, there may be substantive disagreements as to : (i) the degree to which fiscal rigor should be applied given its potential impact on overall investment and short run growth; (ii) the speed at which tariff protection should be withdrawn and tax revenues from such tariffs lost to the treasury; (iii) the phasing of public enterprise privatization in relation to the availability of social safety nets; etc.

Design of adjustment programs funded by the World Bank must also take account of the strictures imposed by the nature of the adjustment loan instrument itself : adjustment loans are hybrid offsprings of the Bank's traditional lending instruments. Like program loans, adjustment loans are quick disbursing -- but they address chronic rather than episodic development constraints. Like project loans, they resort to conditionality and are vehicles for improved development management -- but their focus is broader than a single investment project and their proceeds are not associated with the creation of specified physical assets or the transfer of particular technologies.

By their very nature, adjustment loans are vulnerable to policy reversals and not well suited to targeting of expenditures. Therefore, adjustment loans are typically used in conjunction with other development assistance instruments : specific investment projects and sector investment loans, advisory services and technical assistance, aid coordination and cofinancing. Together, these instruments are used at the service of development assistance strategies agreed with the borrowing member country.

Origins and Evolution of Adjustment Lending

In 1980, when the World Bank inaugurated structural adjustment lending, developing countries faced unprecedented pressure in their external accounts -- the result of two successive oil shocks, rising interest rates and inadequate domestic policies. Initially, adjustment lending was viewed as a temporary measure, to be used for three to five years with the aim of restoring sustainable balance of payments positions in recipient countries within five to seven years. As the decade unfolded, however, the terms of trade worsened, real interest rates remained high, and debt remained a heavy burden for many developing countries.

In parallel, it gradually became clear that the policies of developing countries were more distorted, their institutions more rigid and the difficulties of implementing reform more untractable than had been initially acknowledged. As a result, adjustment lending grew in volume and scope. From 1980 to 1995, about \$57 billion worth of adjustment lending was provided to developing countries.

Initially focussed on trade liberalization and the removal of price distortions, adjustment lending gradually moved on to address sector policies (agriculture, industry, energy) and eventually expanded its scope to deal with fiscal and financial sector issues and the encouragement of private sector activity. Structural and sectoral adjustment operations now form part of the World Bank's regular toolkit and adjustment lending currently accounts for about a fifth of all Bank commitments.

In 1980, just as there was no clear view of how complex and

resilient the obstacles to sustainable development were, no one predicted the major shifts in the development paradigm which would accompany the rise of adjustment lending. Paradoxically, as the World Bank built up its macroeconomic advisory skills, its policy agenda began to expand well beyond economic management. The crucial role of the private sector, the fundamental importance of human capital and the advent of environmentally sustainable development gradually became embedded in the Bank's policy directions.

In 1991, a full decade or more after adjustment lending had started, poverty reduction was enshrined as the Bank's overarching operational priority. By then, the social impact of adjustment had become a major focus of concern both within and outside the Bank and the content of adjustment programs had begun to incorporate social safety nets and critical assessments of public expenditures programs. By 1992, the policy directive on adjustment lending had been modified to incorporate more explicit guidance for dealing with the social aspects of adjustment. And today, adjustment lending operations (as I will demonstrate later) are as likely to have social issues at their core as any macroeconomic management issue.

Controversy and Learning

In retrospect, adjustment lending proved crucial to the evolution of the World Bank. By linking economic analysis to urgent operational decisions, it sharpened the analytical skills of Bank economists and changed the character of the Bank from a technical organization devoted to the financing of "projects" to a "country program" based institution dedicated to policy reform.

This shift, consecrated by the 1987 reorganization, was strategic. Ultimately, it allowed the Bank to become a pivotal broker of development resources, information and ideas. It also put the organization in the limelight and subjected its operations to unprecedented public scrutiny. At the same time, it helped to disseminate unrealistic expectations about the reach and influence of the organization.

In this context -- and given the advent of nongovernmental organizations dedicated to serving the poor and acting as watchdogs of multilateral agencies -- adjustment lending has become something of a lightning rod and the focus of a drawn out public controversy. At issue is whether the role of the World Bank in encouraging sound economic management is at loggerheads with -- or supporting of -- its poverty reduction focus.

The purpose of my presentation today is not to take sides in the public debate. Rather, it is to illuminate the major issues at stake and to give you an appreciation of the factual record to-date. In the process, I will puncture a few popular myths and show that considerable learning is taking place within the Bank, in developing countries and in the civil society. Indeed, in

terms of future policy directions, a surprising degree of convergence appears to have developed between the World Bank, its member countries and even the most virulent critics within the civil society. But first let me deal with the actual record of adjustment loans.

Performance of Adjustment Loans

Before presenting a report card on adjustment lending, it is important to be clear about the context in which adjustment lending typically takes place : by the time a country seeks an adjustment loan it is in dire straits. It suffers from high deficits, rapid inflation and capital flight. It needs to change its ways, begin living within its means and restore investors' confidence. But the capacity to design and implement policy reform is frequently weakened by the very crisis the adjustment program aims to address.

Furthermore, vested interests frequently oppose reform so that the pace of adjustment becomes hostage to political "give and take" and more often than not only gradual, partial reform packages can be adopted. As a result, the positive impact of reforms may take time to materialize and, in the meantime, the public may attribute the negative effects of the very failed policies the adjustment program is designed to remedy (or adverse exogenous developments such as a drought) to the adjustment program itself.

This said, despite the difficulty of attributing causality of economic trends to policy change (what economists call the "counterfactual" problem), it is possible to make plausible evaluative judgments by relating particular policy measures to the behavior of specific economic variables -- or by comparing the performance of adjusting countries with that of non adjusting countries. The results dispel some popular myths.

Myth # 1 : Adjustment lending does not work

A recent study by the Operations Evaluation Department examines 144 adjustment loans and credits approved by the World Bank in 53 countries during 1980-93.

The success rate of adjustment operations is now broadly similar to the average of investment operations, reflecting learning by the Bank and its borrowers and successful mainstreaming of a new and complex lending instrument. In 98 cases (i.e. 68% of the evaluated operations) outcomes were satisfactory in the sense that price distortions and inflation were reduced, foreign exchange reserves improved or stabilized and growth in per capita income materialized. The "right" policies were pursued and by and large the "right" results were obtained.

In 16 operations (11 % of the cases) borrowers did not really adjust. They did not stick to the adjustment program and their

economic situation got worse. This list includes Sudan, Zambia and Zimbabwe. In 12 operations (8% of the cases), countries managed to improve their economic situation even though they did not follow through on the adjustment program. These are "lucky" countries that experienced positive exogenous and unanticipated events. This leaves 18 operations (13% of the cases) where the "unlucky" countries concerned took the medicine but did not get better, again as a result of adverse unanticipated developments which can be reasonably explained.

How can these findings square with the barrage of criticism which has been levied regarding adjustment programs promoted by the World Bank and the IMF in Africa? The argument of the critics runs as follows. Over 30 countries in Africa have adopted economic reform programs. Yet, GDP per capita has stagnated in sub-Saharan Africa between 1988 and 1992 and real per capita consumption fell in 23 out of 41 sub-Saharan countries during the same period. The conclusion is drawn that adjustment has failed. Right? Not necessarily since the argument is based on the presumption that sub-Saharan Africa is a homogeneous whole and that policies followed by sub-Saharan countries have invariably complied with those recommended by the Bank and the Fund.

In fact, the poor policy performance of sub-Saharan African countries is confirmed by the outcome ratings of adjustment loans independently validated by the Operations Evaluation Department. Whereas 68% of adjustment loans worldwide had satisfactory outcomes, sub-Saharan Africa adjustment operations only yielded a satisfactory share of 57%. Similarly, a World Bank review of Adjustment in Africa (1994) suggests that out of 26 countries that were able to provide data, policies actually improved substantially in only 6 countries, improved moderately in another 9 and deteriorated in 11 countries.

Again, the countries which improved their policies the most fared the best in terms of GDP per capita, export growth and industrial growth. In no single sub-Saharan Africa country were improvements sufficient to establish what would be recognized internationally as good macro-economic policies. In many cases, policy improvements merely brought countries from poor to fair. Only Ghana ranked as fully adequate -- better than fair but still short of best practice internationally.

Many African countries spend more on their military than the official development they receive or spend on education and health. Yet, during the past 15 years primary enrolments ratios have fallen; child malnutrition has stagnated and the AIDS pandemic has continued its disastrous spread. The losses on public enterprises are such that social services could be doubled or trebled by dismantling them. Some \$6 billion in technical assistance is secured while 70% of trained people emigrate.

Myth # 2 : Adjustment Increases Poverty

The OED Social Dimensions of Adjustment study demonstrates that the popular assertion according to which the 1980's have been a lost decade for development is incorrect, at least in the aggregate : out of 33 countries where household survey data were available, poverty declined in 23, i.e. about two thirds of the cases. The progress of poverty reduction has varied across regions. Poverty declined in all ten countries from Asia but in only half of the countries of Latin America and in 60% of the countries in sub-Saharan Africa.

The same study demonstrates that adjustment facilitates growth and that growth is highly correlated with poverty reduction. In all 9 countries with declining GDPs, poverty increased. Of the 24 countries with positive growth the reduction in poverty was unambiguous in 19. Most countries that did not alleviate poverty were in the high inflation group while the countries that did reduce poverty were disproportionately in the low-inflation group. Similarly, analysis of household survey information in six African countries (Cote d'Ivoire, Ethiopia, Ghana, Kenya, Nigeria and Tanzania) by Lionel Demery and Lyn Squire (1995) shows that countries which improved their fiscal, monetary and exchange rate policies experienced a decline in the overall incidence of poverty.

The same study concludes that the terms of trade shocks suffered by sub-Saharan Africa were massive and only partially alleviated by policy reform. Exchange rate depreciation was especially important to protect the poor since it favored the producers of tradables (exports and import substitutes) and consumers of non-tradables (housing and retail services), raised the incomes of rural households and reduced rent seeking by the favored few who have access to rationed foreign exchange.

This said, where poverty was reduced it was not by very much, in part because of inadequate growth. In turn, this is explained by a failure of investment to rebound quickly due to uncertainties affecting the investment climate, to poor public expenditures policies or to inadequate intensity in supply side adjustments. Out of 23 core adjusting countries in the OED sample, poverty reduction was by less than 1% annually in six cases, between 1% and 2% in five cases and over 2% in only four cases. Poverty increased in eight cases.

Myth # 3 : Growth is all you need

Statistically, changes in poverty result from a change in mean income combined with a change in inequality. In all regions, changes in mean income tend to be more important in poverty reduction than changes in inequality. But in some countries the redistribution component has been as significant as the growth component (Colombia, Paraguay, Malaysia, Singapore, Sri Lanka) or dominant (Brazil, Pakistan, Panama, Uruguay).

The Demery and Squire study highlights that the urban poor have gone through difficult times under adjustment in all African adjusting countries even in Ghana which is the most successful of the adjusters. Equally, a decline in the number of the absolute poor did not necessarily mean that the poorest of the poor improved their position. While for the poorest 10% this happened in Ghana and Nigeria, it did not in Kenya and even less so in Tanzania. Thus, some poor can become worse off even if the living standards of most poor are improving.

In five of the six cases analyzed by Demery and Squire, changes in mean income operate in opposite direction from changes in inequality. Similarly, within a 33 country sample, the OED study finds that inequality increased in 17 countries, declined in 14 and remained unchanged in two. For example, income growth was accompanied by increased inequality in Bangladesh, Bolivia, Guatemala and most countries in the African sample. But even when the two effects were in conflict, growth was rarely accompanied by increased poverty (the rich get richer and the poor get poorer scenario).

The level of inequality is consistently higher in Latin America than in East and South Asia while it varies considerably across countries in sub-Saharan Africa with many countries (e.g. Tanzania, Lesotho, Zimbabwe, Botswana and Senegal) exhibiting inequality comparable to that in Latin America. Why be concerned with increased inequality as overall incomes grow? Because it reduces the extent of poverty reduction which is feasible and, according to the endogenous growth literature, it may reduce the rate of capital accumulation and negatively influence future growth. Since growth elasticities under an inequitable growth path are lower than those under neutral growth, even higher growth rates are needed when growth is inequitably distributed to prevent the number of poor from rising. Thus, for Bangladesh, the estimated growth rate required to keep the number of poor from rising under the current inequitable growth pattern is 5% compared with 3% under a neutral growth pattern.

Conversely, the sectoral and regional pattern of development strategies can have a major influence on income distribution and poverty reduction. Other things being equal, if emphasis is given to labor intensive activities and to neglected, highly populated regions, the rate of poverty reduction is faster than otherwise. Thus, the dynamic East Asian economies adopted development strategies which favored labor intensive exports, small scale industries and agriculture. International comparisons included in the OED study confirm that faster poverty reduction is correlated with dynamic agriculture growth rates while in no case did poverty measures decline when agriculture growth was unsatisfactory.

Hence, the crucial importance of agriculture and rural development as a priority sector for development assistance. Furthermore, greater attention should be given to social

expenditure policies in countries which need to compensate for the adverse initial conditions the poor suffer as a result of unequal assets or income distribution patterns.

Myth # 4 : Adjustment Means Less Public Spending for Social Services

Public spending increased in more than half of the adjusting countries and rose on average in Asia, Latin America and sub-Saharan Africa. Social spending (as a percentage of GDP) fell less than all discretionary expenditures -- and it increased in half of the countries. The long term reduction in infant mortality continued.

Did adjustment reduce per capita real social spending ? To throw light on the question, the OED study compared the social spending patterns of good, mixed and poor adjusters. Again the results are conclusive. In 14 out of 18 good cases per capita social spending moved up consistently. On average, total per capita spending was more than 10% higher in the post-adjustment period than before. Where the adjustment experience was mixed, social spending trends were mixed as well with per capita education expenditures growing and per capita health expenditures declining and the total remaining unchanged. By contrast, poor adjusters saw all categories of social spending per capita fall during and after the adjustment period.

This said, many of the criticisms levied by non-governmental organizations regarding the quality of fiscal adjustment in most adjusting countries are well founded. Public spending excluding debt service fell as a percentage of GDP -- with most cuts related to economic services (particularly infrastructure) and with non productive expenditures (military and public administration) cut less. Investment in transportation, communication and energy fell in 85% of the countries during adjustment and the decline has yet to be reversed in most of them. This is worrisome given the importance of adequate infrastructure for sustained economic growth and poverty alleviation.

Demographic factors have not made the situation easier. Per capita social spending fell in real terms in almost two-thirds of the countries. Of course, contraction in government spending does not necessarily mean a reduction in services for the poor if the cuts are targeted to wasteful expenditures. Unfortunately, the quality of public expenditures (e.g. in terms of the ratio between primary and tertiary education or between preventive and curative health) improved in only a few countries and worsened in many. School enrollments dropped in many countries and non wage recurrent spending for supplies and maintenance has become severely underfunded. Thus, it appears that social expenditures have been protected more because of their public employment component than in order to maintain adequate services to the

poor.

There are significant differences across country groups. In Asia social spending rose consistently in most countries through the adjustment period both as a share of GDP and per capita. Latin America showed a mixed picture with social spending increasing as a share of GDP in half of the countries and declining in the other half. Africa and Middle Eastern countries fare less well. In Africa, the combination of spending cuts and demography led to a decline in per capita social spending in about three fourths of the cases.

Lessons of Experience

The share of adjustment loans with satisfactory outcomes has improved overtime. Evidently, significant learning has taken place among developing countries and within the Bank. But the Bank's batting average can certainly be improved as, according to OED, poverty increased in one out of three (8 out of 23) core adjusting countries for which household expenditures data are available.

Evaluation confirms that borrower ownership of the adjustment program and its poverty reduction goals stands out as a primary determinant of program success. Four variables characterize the degree of borrower ownership : (i) the primary locus of initiative for major components of the program, i.e. the degree to which the borrower has triggered the program and participated in its technical design; (ii) the extent of intellectual conviction among key policy makers rather than only the head of one or more "core" ministry; (iii) concrete expression of political will expressed by actual decisions and timely actions rather than mere expressions of intent; (iv) efforts towards consensus building among various constituencies.

Rated according to these criteria, the degree of ownership of adjustment operations is closely correlated with program outcomes. Objective evaluation of borrower ownership is best carried out in the context of a participatory process of evaluation of economic, social and political factors. Even in cases where borrower ownership is adequate, the risks of success can be weakened by weak implementation capacity, vacillation in policy making or a tradition of mistrust between public authorities, the private sector and the civil society. Social assessments can help improve the realism of program designs and the coordination of poverty reduction initiatives among development partners.

The current policy directive governing adjustment lending is dated December 21, 1992. It reflects lessons of experience drawn from research, evaluation and monitoring of adjustment operations. The directive stresses the need to carry out a realistic assessment of borrower ownership; to assure adequate funding for structural adjustment and reform; to collaborate

closely with the IMF and other development partners; to assess fiscal aspects with care and to design adjustment operations so that they are consistent and supportive of poverty reduction strategies and include an assessment of the social impact of reforms.

The jury is still out as to whether these policy directions once fully internalized within the World Bank will be readily adopted by its borrowing member countries. Kevin Watkins of Oxfam argues that World Bank adjustment loans reflect a "trickle down" philosophy under which the benefits of adjustment "all too often trickle up to the powerful, exacerbating inequalities in the process". He advocates the view that adjustment programs should be designed with social factors considered upfront rather than as "add ons". This view appears to have been accepted by the World Bank, at least in terms of the design of about half of the adjustment operations approved in FY95.

Specifically, fourteen out of 25 adjustment loans support governments efforts to (i) reallocate expenditures in favor of the poor; (ii) eliminate distortions and regulations that disadvantage the poor; (iii) support safety nets that protect vulnerable groups; (iv) gather data and monitor the impact of adjustment on the poor; (v) develop strategies to reduce poverty.

Thoughtful observers of the African adjustment experience present at the Harare Seminar on Africa's experience with structural adjustment have stressed that the adjustment agenda is a long term process since beyond the reforms which can be carried out at the stroke of a pen (such as exchange rate devaluation or price decontrols) many others require time consuming institutional reform in such areas as public sector management, banking, agriculture, etc. Here again, the World Bank has recently moved to undertake more realistic assessment of domestic capacities so as to avoid underestimating the economic costs and political risks of adjustment programs.

From this perspective, capacity building emerges as a critical ingredient of effective adjustment. Accordingly, the President of the World Bank, Mr James D. Wolfensohn, has endorsed an initiative of the African Governors of the World Bank to assess domestic development capacities in sub-Saharan Africa and to put forward proposals for adapting development assistance practices and strengthening economic governance. A report arising out of this initiative will be available for discussion at the forthcoming meeting of the African Governors with the President of the World Bank in the fall of 1996.

Converging Paradigms

In the early 1980's adjustment was virtually identical with stabilization and the reduction of internal and external imbalances. There was enormous controversy about the very need for changing the role of the state, eliminate price distortions

and stabilize the economy. In the mid-1980's stabilization was supplemented by trade, exchange rate and sector policy reforms and a start was made to link adjustment with the quality of public expenditures (e.g. through removal of "white elephants" from investment programs).

Since the early 1990's the adjustment strategy has been enriched to incorporate public expenditures reallocation in support of human capital formation, social sector and social safety nets. The Special Program of Assistance for Africa composed of major donors and chaired by the World Bank will continue to support strengthened and deepened policy reforms and structural changes but it now aims at full integration of poverty alleviation measures into development strategies, strengthened capacity building and enhanced support for sector investment programs in human resources, agriculture, infrastructure and the private sector.

Beyond adjustment lending, World Bank poverty targeted lending rose from 3.8 billion in fiscal 1992 (57 projects) to \$5.4 billion in fiscal 1995 (75 projects). This means an increase from 18% to 24 % of Bank lending. World Bank lending for human resource development increased five-fold in dollar terms from the early 1980's to fiscal 1995. This means that the share of Bank lending to human capital sectors increased from 5% during 1981-83 to 16% in 1993-95. Sixty two poverty assessments were completed during 1989-95 and another 58 are scheduled to be completed in the next four years.

Just as the poverty reduction agenda has become better established within the World Bank, there has been a substantial evolution in thinking among developing countries and within the civil society toward acknowledging the futility of heterodox macroeconomic management policies. Thus, Sadig Rasheed of the Economic Commission for Africa opines that "there is now greater seriousness on the part of the majority of African countries to undertake economic reforms, exercise a greater degree of financial and budgetary discipline, exhibit greater accountability and transparency, manage the economy more effectively and genuinely encourage entrepreneurship and private initiatives".

Similarly, a study on poverty and structural adjustment in Tanzania by the Joint Conference on Church and Development concluded that the overall effects of adjustment have been positive. While high income groups were the primary winners in the short-run, competition helped to erode excessive profit margins and liberalization has begun to contribute to ending the threat of mass impoverishment of the late 1970's and early 1980's. A growing and complex process of social differentiation has taken place in which poverty has been reduced although income gaps appear to have widened.

While berating the World Bank for not doing enough to protect the

poor and the weak, Kevin Watkins of Oxfam acknowledges that the "benefits of low inflation, broad fiscal balance and realistic exchange rates are self evident" and that state marketing boards have had "a destructive role" in the 1960's and 1970's. Frances Stewart while seeing poverty as the norm for countries undergoing adjustment stresses that "it is almost always better for the poor to be part of an economy which adjusts quickly and successfully, avoiding economic stagnation" and that "poverty can be reduced during adjustment".

Symbolizing this convergence, the debate between the World Bank and NGOs on structural adjustment is now at a new stage as a network of some 130 NGOs and the World Bank will be joining forces to carry out a joint participatory and public review of structural adjustment programs in ten countries with involvement by the governments concerned.

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Thus, disunity in the ranks of those who seek to improve the lot of developing countries is, at long last, being overcome. This is a hopeful sign as only a global coalition between development assistance agencies and the voluntary sector can make a significant difference in helping the poor who live in the zones of turmoil and development help themselves.

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Editor, Discussion Paper 288, Washington D.C., 1995

OFFICE MEMORANDUM

DATE: August 1, 1996

TO: Distribution

FROM: Kris Martin, EXTIM *KM*

EXTENSION: 31767

SUBJECT: Mr. Wolfensohn's Meeting with RESULTS International, July 23

RECEIVED
AUG-5 AM 10:16
DGO

This is a summary of discussions between Mr. Wolfensohn and representatives of RESULTS International which took place at the Bank on Tuesday, July 23, 3:00 to 4:00 p.m. The 11 RESULTS representatives were from Australia, Canada (2), Germany, Japan, U.K. (2) and U.S. (4); a list of names is attached. Also attending the meeting were Mark Malloch Brown, Josie Bassinette, John Clark, and myself.

Each RESULTS representative first introduced him/herself and stated how many signers they had each recruited from their respective parliaments to sign their 1995 letter to heads of the World Bank, IMF and three regional development banks. Sam Daley-Harris, Founder and Executive Director of RESULTS International, then described RESULTS and its current goals, which include follow-up to the World Summit for Children and the upcoming Microcredit Summit in February 1997. Mr. Daley-Harris noted that Mr. Wolfensohn's leadership had been crucial to putting the Microcredit Summit on the map. Following these introductory remarks, the RESULTS representatives and Mr. Wolfensohn engaged on issues of concern to RESULTS.

Sheila Davie (RESULTS U.K.) posed the first question about user fees. She said that both Vice Presidents with whom RESULTS had met on Monday afternoon (Messrs. Burki and Madavo) had agreed that user fees should not be used for primary health care and basic education. She noted, however, that this was often not the reality on the ground as many governments (e.g., Kenya, Zimbabwe) were still charging in these areas. She asked whether the Bank could do more to discourage governments from doing this. In his response, Mr. Wolfensohn began by saying that if it was affordable, it would be better to charge for services so that even more services could be made available to the poor. This concept worked fine in industrialized countries; however, in many developing countries, what one picked up on the income side was often lost in terms of access to and availability of supplies or services. The Bank was letting it be known that it did not think user fees were effective in the areas of primary health and education; however, each situation still had to be handled on its own merits.

Mark Rice (RESULTS Australia) was interested in knowing whether the Bank's lending for primary health and basic education had increased. Mr. Wolfensohn said that the Bank planned to lend \$15 billion, or about a third of its total lending, in these areas over the next three years. The Bank planned to increase its lending for education to \$2.5 billion annually over the next five years. More than half of the Bank's basic education projects today included components specifically targeting girls. The amount of money was not the only concern, in Mr. Wolfensohn's view. Except for IDA, the Bank was not resource constrained at the moment. The real issue was quality of lending. Mr. Wolfensohn wanted to retrain staff to make sure that they were effective managers and sectoral specialists. He was restructuring the institution in the sectoral areas, which would now be organized under "families" or "networks." He was, in general, preoccupied with effectiveness and making sure that the Bank's money was well spent. He would rather have \$15 billion well spent than \$18 billion less well spent.

Nancy Wimmer (RESULTS Germany) picked up on the issue of quality and said that RESULTS was delighted that the Bank now had a system of measuring and monitoring social impact indicators like child mortality, school enrollment, etc. She also commented that the Bank's poverty assessments were well done. Mr. Wolfensohn said that measurement was the toughest job of all. He was meeting regularly with Bob Picciotto, head of the Bank's Operations Evaluation Department, who was on the cutting edge of assessing projects. The Bank had set up a Quality Control Unit to monitor projects from inception to completion, and its first task was to be sure that all projects were first class at entry. Even then, some 20 to 30 percent were not likely to meet their development objectives because of elements out of the control of the Bank. He gave as an example a textbook project in East Asia which discovered that teacher training rather than just textbooks for the students was what was really needed. Mr. Wolfensohn said that he had been working to reduce bureaucracy in project preparation: the number of steps required for project approval had been cut from five to two. Now that he had initiated steps to fix the "front-end," he was working on the "back-end." The culture of the Bank had to change so that staff were accountable for results. The Bank was working with bilaterals, regional banks, and the U.N. to develop better ways of measuring impact and results. He was hopeful that these efforts would eventually change the whole industry.

Brian Peace (RESULTS U.K.) said that RESULTS was pleased that the Bank was doing more to protect primary health and basic education budgets under structural adjustment. Nevertheless, these areas were still being hard hit, especially in Africa. Mr. Wolfensohn agreed and said that the Bank was working to make Africa "own" its problems and its solutions, so that the Bank was not always dictating and so that local people did not have to be convinced year after year. Africans had to be treated as equals in the development process, and the Bank had to show that it was a listening, not a dictating, organization. This very basic twist was the key to sustainable development in Africa. Mr. Wolfensohn said that he had picked Messrs. Madavo and Sarbib to be the new Vice Presidents for Africa because they appreciated this concept and had excellent experience in the field.

Toshihisa Nagase (RESULTS Japan) thanked Mr. Wolfensohn for his leadership on the multilateral debt initiative. Without debt relief, children would be denied a future. It was clear that the issue would not be moving at all were it not for Mr. Wolfensohn's efforts.

Mr. Wolfensohn said that the current proposal could be improved in various ways, but the framework had to be agreed on first. The proposal represented the first time ever that the international finance institutions (IFIs), regional banks, and Paris Club had gotten together on this issue. He said that Mr. Camdessus was 100 percent involved and committed to the initiative but still needed to get the capacity to sell gold. It was some of the major powers like Germany, Japan and Switzerland that still had to be convinced.

Jean François Tardif (RESULTS Canada) said that RESULTS would like to help build support for the sale of gold. However, as they had stated in their meeting with Stanley Fischer at the IMF the day before, they would like to ensure that the monies freed up by debt relief would be channeled to the basic social sectors so that children would not continue to die. Mr. Wolfensohn said that the Bank was already focusing more on the social sectors and supporting, e.g., women's programs, microcredit schemes, etc. It would, however, be too complicated at this stage to link up the current debt proposal with such conditions. Mr. Wolfensohn urged the group to get all their parliaments mobilized behind the debt initiative.

Paul Kane (Chair, RESULTS' IFI Caucus) said that RESULTS would like to help but that they were a lobbying group and needed to have the promise of measurable results with which to persuade their parliaments that this would be a good thing. Mr. Wolfensohn said that he understood this, but the key was to get the framework approved first.

Joanne Carter (Legislative Director, RESULTS U.S.) said that RESULTS had identified two priority areas that were central to the Bank's role and also in need of immense leadership -- i.e., adult health (in particular, tuberculosis and iron deficiency anemia) and basic education. On adult health, Mr. Wolfensohn said that he was aware of this issue and was having a meeting later that day to talk about the Bank's strategy in that area. The Bank had committed to the eradication of river blindness and guinea worm, and it was now the largest financier for AIDS, but it was clear that the Bank could be doing more on adult health. On basic education, Mr. Wolfensohn noted that the Bank was already the intellectual leader on the subject, but it needed more depth in its staff and needed to work more on advocacy. He thought RESULTS would be an excellent partner on the latter: they were better at advocacy where the Bank had better outreach in countries.

Lynn McMullen (Associate Executive Director, RESULTS U.S.) closed by thanking Mr. Wolfensohn for taking time to meet with all of them. They were incredibly moved and excited by his leadership and had great hopes for the future of the Bank. She reminded Mr. Wolfensohn that he was a global figure and urged him to get out in front and be a bold, passionate leader. RESULTS wanted to support Mr. Wolfensohn in changing the whole field.

Mr. Wolfensohn thanked RESULTS for their kind words and for the chance to hear their views. He said that he would always be open to their thoughts and criticisms. He also said that, his calendar permitting, he would try to participate in their Microcredit Summit which would take place next February 1997.

Attachment

cc & cl: Ms. Bassinette (EXC)

Distribution:

Messrs./Mmes. Bergen, Tsatsakis (EXC); Burki (LACVP); Madavo (AFRVP); Malloch Brown, Kirby-Zaki (EXTVP); Clark, Meesook (PSP); Picciotto (DGO); Malhotra (CGP); de Ferranti, Feachem, O'Rourke (HDD); Rueda-Sabater (FRMRO); Kamel (IECIF); Anstey, Donaldson, Mitchell, Monticone, Stephens (EXTIM); Bergman (EXTME); Van Praag (Paris); Lamb (London); Iwasaki (Tokyo)

/kjm

LIST OF ATTENDEES AT MR. WOLFENSOHN'S MEETING WITH RESULTS
July 23, 1996

Sam Daley-Harris, Founder and Executive Director, RESULTS/RESULTS Educational Fund

Mark Rice, National Director, RESULTS Australia

Cathy Little, Co-National Director, Canada

Jean François Tardif, Co-National Director, Canada

Toshihisa Nagase, National Director, Japan

Nancy Wimmer, National Director, RESULTS Germany

Sheila Davie, National Director, RESULTS U.K.

Brian Peace, Trustee, RESULTS U.K.

Joanne Carter, Legislative Director, RESULTS

Paul Kane, Chair, RESULTS International Financial Institutions Caucus

Lynn McMullen, Associate Executive Director, RESULTS/RESULTS Educational Fund

**CENTER OF CONCERN**

PROMOTING
GLOBAL JUSTICE
AND PEACE
SINCE 1971

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AUG - 1 PM 3:35

DGO

August 1, 1996

Dr. Robert Piccioto
Operations Evaluation Department
The World Bank
1818 H Street, NW
Washington, DC 20433
T: 458-4573
F: 522-3200

Dear Dr. Piccioto:

I would like to confirm the conversations I have had with your staff. Namely that you will be coming to speak with the Religious Working Group on the Bank and the Fund on Thursday, August 8, from 10:00 am to Noon at the Methodist Building, 100 Maryland Avenue, NE, Conference Room 1.

The subject of your presentation will be the evolution of the Bank's structural adjustment policies. We are looking for an "agnostic" presentation--neither an apology nor a critique, just a presentation of how these policies have changed over time.

The format we suggest for the two hours is: 75 minutes of presentation; 45 minutes for questions. With your permission, we will audio and video tape your presentation since many of the member organizations of the Religious Working Group have extensive memberships who would appreciate knowing more about this topic.

An overhead projector will be available for your use; however we do not have light pointer capability.

Thank you so much for agreeing to make this presentation. We welcome the opportunity to learn a great deal from you.

Sincerely,

Jo Marie Griesgraber, Ph.D.
Project Director, Rethinking Bretton Woods
Member, Religious Working Group on the Bank and the Fund

A L L - I N - 1 N O T E

DATE: 01-Aug-1996 03:34pm

TO: Robert Picciotto (ROBERT PICCIOTTO)

FROM: Anne Muhtasib, DGO (ANNE MUHTASIB)

EXT.: 84573

SUBJECT: Religious Working Group

I talked to Jo Marie of Center of Concern today and reconfirmed the session for Thursday, August 8, from 10 to 12. She is faxing us another letter.

You can use an overhead projector if you want (no powerpoint).

They plan to record the session with a staff member's camcorder and a tape-recorder - all very low-tech.

The address is:

The Methodist Building
Room No. 1
100 Maryland Avenue NE

It is directly across from the Supreme Court. Room No. 1 is a conference room on the first floor. She will be there to greet you - but there are no guards to stop you.

She wants to keep the discussion/questions to a minimum, because they really want to learn what you have to say on the evolution of structural adjustment policies.

CC: Rachel Weaving

(RACHEL WEAVING)

CC: Christopher Gibbs

(CHRISTOPHER GIBBS)

CC: Carl Jayarajah

(CARL JAYARAJAH)

cc: FAS o/r
UT

RECEIVED

AUG -1 AM 10: 21

DGO

MP o/r
PG done

See my EM on the subject.

9
8/6

July 31, 1996, 6.30 pm

Office of the Director
Policy Research Department

Routing Slip

To: Mr. Robert Picciotto	

	Signature		Clearance		Comment
X	Information		FYI & Discard		Read & Return

Bob:

The attached is the NGO view of the work we've done. It has not been cleared by us.

CITIZENS' STRUCTURAL ADJUSTMENT PARTICIPATORY REVIEW NETWORK

31 July 1996

STEERING COMMITTEE

CHARLES ABUGRE †
THIRD WORLD NETWORK
AFRICA

GEMMA ADABA
PUBLIC SERVICES
INTERNATIONAL

PEGGY ANTROBUS
CAWN
INTERNATIONAL

MANUEL CHIRIBOGA †
ALOP
LATIN AMERICA

STEVE COMMINST
WORLD VISION
INTERNATIONAL

MARIA CLARA
COUTO SOARES †
IBASE/REDE BRASIL
BRAZIL

MARIA TERESA
DIOKNO-PASCUAL
FREEDOM FROM
T COALITION
PHILIPPINES

DOUG HELLINGER †
THE DEVELOPMENT GAP
UNITED STATES
(COORDINATOR)

CARLOS HEREDIA
EQUIPO PUEBLO
MEXICO

KAMAL MALHOTRA
FOCUS ON THE
GLOBAL SOUTH
THAILAND

ATHERTON MARTIN
CONSERVATION
ASSOCIATION
OF DOMINICA

JOHN MIHEVCT
INTER-CHURCH COALITION
ON AFRICA & HALIFAX
INITIATIVE
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ROBERTO RUBIO †
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EL SALVADOR

G. TEN †
RNAL GENDER
NSULTATIVE GROUP
INTERNATIONAL

VEENA SIDDHARTH
OXFAM INTERNATIONAL

MARIJKE TORFS †
FRIENDS OF THE EARTH
U.S./INTERNATIONAL

BARBARA UNMUSSING †
EURODAD & WEED
EUROPE

HELLEN WANGUSA
AFRICAN WOMEN'S POLICY
NETWORK (AWEPON)
AFRICA

‡ EXECUTIVE COMMITTEE
† TECHNICAL COMMITTEE
• PROVISIONAL

Mr. Lyn Squire
Director
Policy Research Department
The World Bank
1818 H Street, NW
Washington, DC 20043

Dear Lyn:

We have enclosed for your review a draft summary of the discussions held and decisions reached at the joint steering committee meeting of the Structural Adjustment Participatory Review Initiative on 12 July. Copies have also been sent to the members of the Steering Committee of the Network of the 140 citizens' organizations and coalitions that are now part of this Initiative. We will incorporate their and the Bank's team's comments before finalizing the document for distribution.

You will note that, as previously discussed, we have decided to include in this document those recommendations and agreements from the 13-14 June planning meeting that were accepted by both parties on 12 July. As a result, after the necessary modifications have been made, we should have a document that rather fully describes the Initiative we have committed to take together over the next 18 months.

Many details remain to be worked out, however, not least of which are those related to the field-investigation methodology that our respective technical teams are beginning to address. The exact construct of the opening "Phase I" global forum, as well as the other public fora in the 10 countries and Washington, also require attention. It will be necessary, for example, to structure fairly soon the second, "Phase II" fora in each country and in D.C. in such a way that it is clear to all that both parties are committed to following up on this exercise with concrete action in the areas of economic policy and policy formulation. In addition, we should move forward with the finalization of country selection over the next week or so.

As we discussed the other day, we continue to hear from potential funders, colleagues in the media, and organizations interested in joining this initiative that, while civil society involvement in the Initiative is expanding impressively, the Bank's Team does not appear to be representative of the broad range of departments in the institution that would have to be fully involved in this exercise to make real change in economic adjustment operations possible. Members of the Citizens' Network Steering Committee would urge you, as they did on the 12th, to

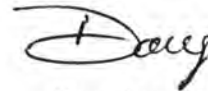
incorporate in your team representatives from the offices of the Regional Vice Presidents and the Operations Managing Directors as a reflection of the public and private commitments that President Wolfensohn has made to this undertaking.

As far as finances are concerned, the Executive Committee looks forward to working with you to jointly raise funds for this exercise. We have reviewed the memo from Trinie regarding the management of trust fund resources that are being sought from European donors. We will consult with other members of the Executive and Steering Committees to determine if sufficient independence can be established in a contractual arrangement with the Bank to make the use of resources from Bank trust funds a viable option.

In the meantime, we will work with you to identify alternative arrangements and additional sources of funds. As promised, also enclosed is a draft rewrite of the Bank's proposal to potential funders, converting the document into a joint proposal. We will be circulating the draft to the other Steering Committee members for their review, as well, over the next few days. We have not changed the original budget figures, as the Secretariat will be reviewing the most recent draft budget later today.

Thank you for your cooperation on all of these issues.

Sincerely,



Douglas Hellinger
The Development GAP
Network Coordinator

enclosures

cc: James Wolfensohn
Sven Sandstrom
Constance Newman, Bank secretariat
Citizens' Network Steering Committee

**WORLD BANK - NGO/CIVIL SOCIETY INITIATIVE TO REVIEW
STRUCTURAL ADJUSTMENT PROGRAMS AND EXPLORE NEW POLICY OPTIONS**

1. The World Bank and a Network of some 130 non-governmental organizations are seeking grants totalling US\$1.72 million to carry out an 18-month, joint participatory and public review of Structural Adjustment Programs (SAPs) in up to ten countries with the involvement of governments concerned. The principle objectives of the review are to learn about the impact and workings of specific adjustment measures from the perspective of a wide array of citizens' organizations and to set the stage for appropriate changes in adjustment operations and programs and more participatory economic-policymaking processes. Detailed agreements on the structure and methodology of the Initiative were reached by a joint project Steering Committee on 12 July. A summary document from that meeting is attached.

Background

2. The long-standing debate between the World Bank and NGOs on Structural Adjustment Programs (SAPs) is now at a new stage, with agreement reached between the World Bank and a large network of NGOs and other organizations of civil society from around the world to conduct a joint review of a select number of SAPs. On assuming the Presidency of the World Bank in 1995, Mr. James D. Wolfensohn committed the World Bank to expand its dialogue and operational ties with different sectors of civil society. A central part of this effort has been to incorporate citizens' organizations into various aspects of World Bank activities. The Bank is also placing emphasis on building up collaboration and dialogue on policy issues with non-governmental organizations in borrowing countries. To assist this process the institution has NGO Liaison Officers in 34 of the Bank's 71 Resident Missions.

3. For several years, NGOs and other citizens' groups have expressed particular concern about the nature and economic and social impact of adjustment programs. They have questioned whether the World Bank has sufficiently incorporated local knowledge -- particularly from those local organizations that directly represent and/or work closely with people who are affected by SAPs -- into the definition and design of economic-reform programs. They have also pointed to the adverse impact of SAPs on the poor, workers, women, small enterprises and farms, food security, the environment, and domestic productive capacity. For its part, the Bank has increasingly recognized the growing poverty and income inequality that has occurred under adjustment programs and the adverse impact on particular population groups. In engaging his institution in this exercise, President Wolfensohn cited the need to "promote measures which narrow income differentials" and to "encourage governments to consult and debate with civil society on policy reforms."

4. In June 1995, a group of U.S. and international NGOs met with President Wolfensohn and proposed that the Bank undertake a bottom-up review of adjustment programs in conjunction with local organizations. In response, Mr Wolfensohn asked the group to

present him with a proposal that contained a concrete mechanism for the review of Structural Adjustment policies. The Development Group for Alternative Policies (The Development GAP), which has had 22 years of experience working in the Bank and with citizens' movements on Bank-related issues and which led the NGO delegation at the June meeting, coordinated the development of the proposal with some 30 NGOs from 20 countries. The proposal was submitted in the fall of last year and was reviewed by a group of senior staff in the Bank. In April, the Bank issued a counterproposal for a review of adjustment programs and an exploration of new policy options. The agreed-upon initiative, known as the Structural Adjustment Participatory Review Initiative, is the product of Bank-NGO negotiations over the past three months. The Initiative proposes a thorough and forward-looking investigation of adjustment, from which it is expected that important lessons will be drawn regarding future policy-based lending.

Purpose and Significance of the Initiative

5. The World Bank views this Initiative as an essential learning exercise, which represents a departure from the Bank's normal practice on a number of counts. It will be conducted jointly with NGOs and other organizations of civil society; it will be an open, public, transparent and highly participatory exercise; there will be full availability of Bank documents to the parties involved; the field-investigation methodology will combine the Bank's emphasis on quantitative rigor with the qualitative strengths that NGOs bring from their grassroots experience; and the results of the review, which will be publicly available, will be incorporated into the Bank's future adjustment operations. In addition, the World Bank enters into this exercise fully conscious of its role in attempting to foster an improved dialogue in policymaking between civil society, in general -- and NGOs, in particular -- and their respective governments.

6. The significance of this Initiative to the NGOs and other organizations of civil society that are participating in the exercise as members of the Structural Adjustment Participatory Review Network is reflected in the rapidly growing size of the Network and the diversity of the groups involved. As of 31 July, 140 organizations and coalitions with members in scores of countries around the world have joined the Network, including 40 unions, a dozen women's and farmers' organizations, and over a dozen church-related groups. The Network is committed to opening the adjustment issue and individual country programs to public review, legitimizing local knowledge in the analysis of economic-reform programs, helping the Bank and governments understand how adjustment measures make their way through local economies and into peoples' lives, institutionalizing grassroots involvement in macroeconomic decisionmaking, and changing economic adjustment programs to improve rather than undermine the well-being of the local population and the "real" economy. This Initiative represents the first opportunity for citizens' organizations to move past dialogue and research with the Bank and toward concrete follow-up action based on joint learning and analysis from the base of local societies.

7. The purpose of the Initiative is to bring together organizations of civil society and the World Bank in a joint review of SAPs and an exploration of new policy options. Through a series of public fora and field investigations in 10 countries, the degree to which different population groups and economic sectors are affected by adjustment programs will be examined, as will the process by which these impacts are felt. Learning in Phase I of this

exercise will lead to Phase II fora in each country and in Washington in which concrete follow-up action related to changes in economic adjustment programs and in the adjustment-formulation process will be determined. A desired outcome of the Initiative is enhanced, broad-based participation on the part of civil society in the development of adjustment programs and constructive partnerships among the Bank, governments and civil society in national adjustment-formulation processes.

Implementation

8. The core of the proposed review will be country-level investigations. Once a country has been selected, a national steering committee comprising representatives of NGOs and other organizations of civil society, the Bank Resident Mission and other Bank staff will be formed. Representatives from these steering committees will participate in the global launch of the Initiative, as well as in attendant workshops in which consistent terms of reference for the in-country investigations will be established. With the help of NGO and Bank technical teams, these committees will review the available literature on the local adjustment program(s) and prepare a working paper on the original adjustment policy recommendations, the macroeconomic environment, and obstacles encountered along the way.

9. This paper will provide background for the opening, Phase I fora in each country in which the organizations of local civil society will present verbal and written information and analysis on the impact of the local adjustment program(s). Although there will be broad representation from the various sectors of civil society, these public sessions will revolve around three or four hypotheses or issues raised by the respective steering committees. Bank and government representatives (from various ministries and levels of government) will also present analysis on the same issues. Those key issues on which agreement cannot be found - either on the impact of particular policies and/or on causality -- will be referred to a joint investigative team, charged by the forum organizers to utilize qualitative and quantitative techniques to answer these questions through field investigation.

10. The team will spend up to six months conducting field work, which will rely primarily on participatory techniques. The impact (e.g., evolution of incomes, access to resources and services, food and household security) on specific population groups (e.g., women in the informal sector, small-scale food producers, formal-sector workers, indigenous groups) and the local economy (e.g., local productive capacity, the viability of small and medium-scale enterprises) of measures ranging from trade liberalization and privatization to credit, labor and credit policy will be explored, as will the reasons why certain adjustment measures have adverse effects in particular circumstances. A related objective is to learn about alternative policy measures designed to achieve similar macroeconomic improvements and whether they would have been more or less popular with the populations consulted.

11. The field findings will be presented, discussed and assessed at Phase II country fora alongside the analysis presented in the opening fora. Concrete follow-up action related to changes in adjustment programs, the opening up of the adjustment-planning process to broad local participation, and modifications in the Bank's own adjustment-planning instruments, such as Country Assistance Strategies, will be determined consistent with the quality of the in-country analysis that has been brought to the table.

12. Bracketing the in-country exercises will be two global forums. The first, which will be held either in Washington or in a country in which adjustment programs have had a high profile, will consist of two components: a workshop in which issues related to local SAPs and the details of in-country methodology will be discussed (NGO and Bank technical teams will have already developed a basic field-investigation methodology); and a "public aspect" at which civil-society representatives from the 10 selected countries and top Bank officials make public the reasons for, and the intent of, the Initiative. The Phase I forum will involve some 30 representatives of civil society and NGOs from borrower countries. The Phase II public forum, to be held in Washington, will include a far broader participation so as to maximize the impact of the findings presented to Bank senior management, draw accurate lessons for future policy-based lending, and better determine concrete action that can be taken at the Bank level to change the course of economic-reform operations and improve the quality of Bank programming.

13. The selection of the 10 countries that will be included in this Initiative will be subject to several criteria. These include the willingness of the government to permit public debate on SAPs; the length of time that a country has been under an adjustment program; the feasibility of making changes in the adjustment program(s); geographic spread; and the need to include large and small countries, as well as nations emerging from conflict situations. The choices have been narrowed to less than 20 countries, with representation guaranteed from Africa, Asia, Latin America/Caribbean, and Eastern Europe.

14. The project will be managed jointly by a World Bank team (overseen by a Bank steering committee) and an NGO/Civil Society Network Executive Committee (that reports to a larger Steering Committee). In the selected countries the local processes will be supervised by a national steering committee comprising representatives of local civil society and the Bank. The non-governmental organizations in the overall Citizens' Network Steering Committee have been selected from a wide array of representative organizations, with a bias towards Southern country representation; representatives from the selected countries will be added to the Committee in the ensuing months. The NGOs on the NGO-World Bank Committee have guided the Bank to ensure the inclusivity of this process; this Committee is the official structure through which the Bank maintains relations with the NGO community, and its NGO members are elected by NGOs. At the urging of the NGO/Civil Society Network, the Bank will consider adding representatives from the Regional Vice Presidents' and Managing Directors' offices to its project Team to make effective follow-up action more feasible.

Funding Request/Resource Requirements

15. This request for financing is made in order to support: (a) the organization of public fora on adjustment programs in 10 countries; (b) travel by a broad array of citizens' organizations to participate in these meetings; (c) the involvement by NGO- and Bank-selected research teams in participatory field investigations in these countries; (d) the work of an NGO technical team; (e) travel by NGOs and civil society representatives to participate in two meetings in Washington, D.C. and for NGOs and Bank staff to attend meetings in the capitals of countries in which reviews will be carried out; (f) the running of NGO/civil society and Bank secretariats to lend logistical support to the exercise; and (g) the publication of results.

16. NGOs will cover their own costs related to project management and participation in Initiative events, as will Bank staff, in the interests of objectivity. However, the local organizers of country fora, local field-investigation teams, and some members of the global technical team (that will lend their expertise throughout the exercise) will receive compensation for their work, as will secretariat staff. The in-kind contribution of staff time is reflected in the attached budget.

17. The incremental resource requirements requested for financing from the Norwegian Trust Fund exclude Bank staff costs and have been calculated over a period of 18 months. The World Bank will participate fully in the exercise, providing staff inputs, travel and consultants for the design, preparation and review of the study. NGO financial management will be the responsibility of the Network Executive Committee, led by The Development GAP as Coordinator.

Budget

a. Country Investigations	US\$1.2 million
[Ten countries @ \$120,000 to cover the cost of three months local travel of study teams]	
b. Meetings	
i. Washington (first meeting)	US\$50,000
[20 participants @ \$2,500]	
ii. Country Meetings	US\$200,000
[two meetings per county @ \$10,000]	
iii. Washington (second meeting)	US\$250,000
[100 participants @ \$2,500]	
c. Printing/Public Affairs	US\$20,000
[printing and publicity]	
TOTAL:	US\$1.72 million

**SUMMARY OF
JOINT CITIZENS' ORGANIZATIONS/WORLD BANK
STEERING COMMITTEE MEETING
12 JULY 1996
WASHINGTON, DC**

► **BACKGROUND**

Last year, a group of six Northern and international NGOs proposed to new World Bank President Jim Wolfensohn that the Bank undertake a review of 15 years of adjustment operations and an exploration of new economic options in conjunction with civil society from around the world. In response to Wolfensohn's request for a concrete mechanism through which to conduct such an exercise, a broader group of 30 NGOs and NGO networks worldwide submitted a formal proposal to his office. This March, Wolfensohn accepted the basic elements of the proposal (sharing NGO concerns about growing economic inequality and the need for a central, enhanced role for civil society in economic decisionmaking) and asked a group of NGOs to meet with a Bank team headed by Lyn Squire, Director of the Policy Research Department, to work out the details of the exercise.

Five members of the emerging NGO steering committee and four members of the World Bank team, along with representatives of the Bank's External Affairs Vice-Presidency and its NGO office, met on 13-14 June to discuss the parameters of the NGO/Bank SAP Initiative and to make recommendations regarding the structure, methodology, content and logistics of the initiative. Those recommendations were presented and discussed at the July joint steering committee meeting, attended by 11 members of the citizens' organizations network steering committee and six members of the World Bank team, as well as by representatives of both secretariats. A summary of those meetings and decisions taken follow.

► **MEETING PARTICIPANTS**

For the Citizens' Organizations' Structural Adjustment Participatory Review Network Steering Committee:

Hellen Wangusa, African Women's Economic Policy Network
Kamal Malhotra, FOCUS on the Global South (Thailand)
Inji Islam, External Gender Consultative Group (for Gita Sen)
Roberto Rubio, FUNDE (El Salvador)
Manuel Chiriboga, ALOP (Latin America)
Iara Pietricovsky, Rede Brasil (Brazil) (for Maria Clara Couto Soares, IBASE/Rede Brasil)

Gemma Adaba, Public Services International
Justin Forsyth, Oxfam International (for Veena Siddharth)
John Mihevc, Inter-Church Coalition on Africa and the Halifax Initiative (Canada)
Marijke Torfs, Friends of the Earth
Doug Hellinger, The Development GAP (U.S.)
Tony Avirgan, Network Secretariat (The Development GAP)

For the World Bank:

Lyn Squire, Director, Policy Research Department
Emmanuel Jimenez, Policy Research Department
Lionel Demery, Poverty & Social Policy Department
John Clark, Poverty & Social Policy Dept., NGOs

Alex Rondos, Poverty & Social Policy Dept., NGOs
Constance Newman, Policy Research Department, WB Secretariat

► INTRODUCTION

The Citizens' Network Steering Committee (Citizens' Network SC) reported that a large, worldwide NGO/civil society network has been created and is rapidly growing. The Network is expanding beyond NGOs to include labor unions, peasant associations, churches and other organizations of civil society amidst a great deal of enthusiasm worldwide for the exercise with the Bank aimed at opening up the adjustment process.

The Citizens' Network SC also reported that it had reviewed the recommendations of the 13-14 June meeting and had approved them with a few exceptions and changes. These areas of modification were added to the meeting agenda, which had been designed to address in greater specificity those steps necessary to expedite the launch of the Initiative. They included: the shape of the opening session; the development of the field-investigation methodology; and the selection of countries that will be involved in the review.

The World Bank Team (WB Team) reported that all the Bank's Regional Vice Presidents had been briefed about the exercise. The response was described as "very positive".

► OBJECTIVES OF THE EXERCISE

The Citizens' Network SC reported that there had been an extensive discussion of objectives at the previous day's Steering Committee meeting. The Citizens' Network SC has approved and expanded on the objectives emanating from the 13-14 June meeting, namely:

1) To enhance Bank learning about SAPs from the bottom up. The Citizens' Network SC expressed satisfaction that the WB is interested in learning to deal with more qualitative type information in the hope that this will lead to policy changes and ultimately to an improvement in peoples' lives.

2) To improve the process of decisionmaking by involving civil society and legitimizing local knowledge. The Bank, including President Wolfensohn, had already agreed that the involvement of civil society should be at the core of the exercise. Noting the WB Team's reservations, expressed at the 13-14 June meeting, that the involvement of civil society in decisionmaking depended largely on the willingness of governments to open up their decisionmaking processes, the Citizens' Network SC again urged the WB to use its considerable influence over governments to get them to move towards more openness.

3) To make concrete changes in WB and national programming around adjustment. The Citizens' Network SC noted the WB Team's previously expressed reluctance to commit to changes before the results of the exercise are known, but said members of the Network are reluctant to commit time and resources to another research exercise without some assurance that policy changes will result. The Citizens' Network SC said there needs to be some guarantee that the results of the SAPRI exercise will not just end up on a bookshelf at the WB.

The WB Team said that people at all levels of the Bank are committed to change and are hopeful that this Initiative will lead to change. That is why it is important that the exercise be designed to yield hard evidence that will justify change. The WB Team also said that the desire for change makes it all the more important to include governments in the exercise so that they will, by the end, have a stake in change.

In the end, it was AGREED that there will be two common objectives of the Initiative:

1) To enhance the participation of local, broad-based civil society in the economic-policymaking process. Key to achieving this objective will be the strengthening of Southern civil-society capacity throughout this Initiative and beyond, the central role of citizens' organizations in the Initiative, and the legitimization of local knowledge as critical to economic policymaking by all parties to the exercise.

2) To effect practical changes in economic policies that will improve the lives of common people. The legitimacy of the Initiative in the eyes of both participants and observers depends on structuring the exercise to convert "research" findings into practical change.

Both parties agreed that there will be other Network objectives and WB objectives. The WB Team added as a Bank objective, for example, learning how to use more qualitative data that typically comes from NGOs.

► **STRUCTURING THE INITIATIVE TO ACHIEVE OBJECTIVES**

Three issues arose regarding the structuring of the exercise to achieve practical results.

The Citizens' Network SC said that, in order to demonstrate that the Initiative will lead to real change, the terminology of "opening" and "final" fora, at both the global and country levels, should be abandoned and replaced with "Phase I" and "Phase II" fora. The purpose will be to make clear that the process is open-ended, with changes in policies and policymaking processes part of a second phase of the Initiative. With the WB Team's agreement, it was DECIDED that the opening fora will be called "Phase I" fora and the second in-country and global fora will be referred to as "Phase II" fora.

The Citizens' Network SC also suggested that the desire for change increases the need to have the IMF (and perhaps the respective regional development banks) involved in the exercise. The WB Team agreed that it would be desirable to have the Fund involved, but said that obtaining IMF involvement may prove difficult. It was DECIDED that either the WB Team or the joint steering committee will contact the IMF with the aim of obtaining its involvement in the Initiative. It was AGREED, however, that, with or without Fund participation, all adjustment operations, regardless of the source of financing or conditionalities, will be the subject of examination in each country.

Finally, the Citizens' Network SC expressed concern that the common objectives could not be realized unless the WB Team is expanded to include operational and management people who could implement change in economic programming. The Citizens' Network SC said it is not enough to call in such people as needed, but rather desirable to have such people involved in the exercise from an early stage so that later on they have a stake in making necessary changes.

The WB Team revealed that a WB Steering Committee had been established for the Initiative, composed of: Michael Bruno, Chief Economist and Vice-President of Development Economics; Mark Malloch Brown, Vice-President of External Affairs; Joanne Salop, Senior Advisor to two Managing Directors responsible for Operations; Maurice Strong, Environmental Advisor to President Wolfensohn; Mark Beard, Director of Development Policy; and Armeane Choksi, VP for Human Development. According to the WB Team, it and the Secretariat will make 95 percent of the decisions throughout the Initiative, but the major policy decisions will be made by the Steering Committee. Operational staff

will be involved in the country exercises. All Bank people working on the Initiative are doing so on the direct orders of President Wolfensohn, who has taken a personal interest in the Initiative and is following its progress.

The Citizens' Network SC reiterated that it would be preferable to have representatives of Wolfensohn's and the Regional VPs' offices on the WB Team, not only for practical reasons but to present a public image that says that this exercise is being taken seriously by the Bank. The issue was left open.

► GLOBAL LAUNCH

There was agreement to accept, with some important modifications regarding venue and timing, the formulation of the Global Launch recommended by the parties to the 13-14 June meetings. Those recommendations have now been embraced by both parties as the basis for moving forward with the initiation of Phase I of the Initiative. They include:

- The DECISION that the session should have both a workshop component and a "public aspect" and will be attended by Bank staff and representatives from the countries in which the exercise will be carried out, other NGOs involved in the project, and additional parties, as decided.
- The DECISION that the workshop will be used to discuss consistency of format and methodology and to establish a means of maintaining consistency (with flexibility) throughout the process. Toward this end, a technical/methodology team will do extensive work over the next few months to establish a strong framework for the field work.
- The DECISION that the public portion of the meeting will include, if possible, the involvement of President Wolfensohn announcing and describing the Bank's commitment to the exercise. NGOs and other organizations of civil society in attendance will also explain how they see adjustment in their respective countries and their expectations of the field fora and investigations.

The Citizens' Network SC said that, after the country selection and before the Phase I Global Launch, much work needs to be done in each country to organize a broad-based, representative network and identify a lead organization. It was AGREED that, after a process of local organizing in each country, the lead group(s) will take responsibility for organizing the national fora along with the Bank Resident Mission and will probably represent the local network at the Global Launch. The job of the Citizens' Network SC is to facilitate the creation of truly locally led networks for this Initiative in keeping with the objective of empowering local civil society.

This process is key to the legitimacy of the exercise and will take considerable time, perhaps 3-5 months. The WB Team said it has no objection to scheduling the Global Launch late in the year, as it will also allow more time for getting financing in place. It was thus AGREED that the Global Launch should take place in late November or early December of this year. This will not create much of a delay in beginning the in-country processes, as much of the local organizing will already have taken place.

The Citizens' Network SC suggested holding the Global Launch in a Southern country where structural adjustment is currently an issue of debate. The country, it was suggested should also be one where there is a large presence of international press. Mexico was mentioned as such a country. While the WB Team was flexible on this point, there was agreement that another primary consideration in

regard to venue was the participation of President Wolfensohn. His involvement would send a strong message to governments, Bank mission staff and civil society that this exercise is a priority for the Bank. It was AGREED that the site and precise timing of the event should be dependent on the President's schedule. The WB Team agreed to check Wolfensohn's schedule and travel plans for late November and early December and report back to the Network Secretariat.

It was also DECIDED that it will be critical to have representatives at the Global Launch from as many of the ten selected countries as possible. They would speak, along with Wolfensohn, at a news conference announcing the Initiative and would participate in workshops to share experiences in regard to the impact of local adjustment programs, help define areas of investigation, and assist in the refinement of the global field-investigation methodology.

► **STRUCTURING THE IN-COUNTRY PROCESSES AND PUBLIC FORA**

The recommendations made during the 13-14 planning meeting that outlined the in-country processes were accepted by the joint steering committee. Those agreements include:

- The DECISION that each of the in-country learning processes will consist of: an opening, Phase I, public forum involving civil society in which evidence of the impact of adjustment programs will be presented; a participatory, field-based investigation related to the local impact of adjustment policies; and a second, Phase II, public forum with civil society to consider the relevance and accuracy of the new information and to recommend and structure follow-up action to be taken at the national and international levels.
- The DECISION that the in-country exercises will be conducted under the supervision of national steering committees composed primarily of representatives of the organizations of local civil society, including NGOs, and local Bank mission staff. It was also AGREED that Bank Washington staff and other NGOs from the Citizens' Network could be added to the committees to enhance the consistency among the different country exercises.
- The DECISION that the entire process in the selected countries should be totally transparent, with the widest possible participation encouraged. There was AGREEMENT that the country fora should be public meetings, with the public having as much access to the proceedings as feasible. It was AGREED that government representatives, including from the legislative branch, be invited; government ministry representatives should not be limited to the finance minister. Each national steering committee should decide how to be inclusive. The Phase I fora will probably average two days in length.
- The DECISION that each of the country fora should be chaired by a national of that country who knows the subject well and is well-respected by all the parties involved. The national steering committees might choose to employ co-chairs, as well as a facilitator to bridge the language/communications gap. The analytical framework of the organizations of civil society will be every bit as real and relevant as that of professional analysts and needs to be accorded equal respect.
- The DECISION that, once the selection of countries and local organizers is completed (before the Phase I Washington forum), there will be extensive preparatory work done in identifying civil-society participants for the opening forum and in preparing and identifying materials to be presented at the country fora.

- The DECISION that, while not only losers, but also winners, in the adjustment process should be brought to the table, the core reason for the exercise was to introduce to the Bank the experiences and perspectives of those, particularly among the more powerless, whose voices are usually not heard. In addition, the NGOs argued that, particularly in countries that have gone through an adjustment process of a decade or more, the impact on the losers should be assessed primarily on its own merits and not in relation to the gains of winners or broad macroeconomic effects. It was also suggested that, instead of applying the "counterfactual" argument to the discussion, the experiences of other countries that have utilized different economic management might be used to contrast to the performance of the "adjusting economy", or an alternative economic plan could be put forward for consideration.

- The DECISION that the Phase I forum in each country should be structured around a few questions or hypotheses related to the impact of adjustment policies on specific population groups or sectors. It was AGREED that the focus will be on such economic policies as import liberalization, deregulation, privatization, devaluation, and credit and wage policy, as well as on such groups as small farmers and businesses, workers and informal-sector women and sectors such as overall domestic productive capacity and food-based agriculture (and food security). Representatives of local organizations of civil society will present (personally and/or on paper) their experience with, and analysis of the impact of, local adjustment programs. Other participants, including Bank officials and NGOs, will also provide evidence and analysis drawn from papers, surveys and other secondary sources; some descriptive materials on changes in macroeconomic variables will also be presented to help facilitate discussion. There will be some information and analysis that will not be contested, while there will be other points on which there will be disagreement. These points of contention will be flagged for field study.

► PARTICIPATION IN THE NATIONAL STEERING COMMITTEES AND PUBLIC FORA

The Citizens' Network SC said that, in each country, the Network will help identify a lead organization of civil society that will be responsible for organizing a local network of groups and handling many of the in-country administrative matters. The WB Team reported that Bank operational staff in the various Regions want to have a say in the selection of these organizations, as they may feel that some such groups are "illegitimate".

The Citizens' Network SC strongly objected to this suggestion, as this veto power could be used by the Bank or indirectly by governments to eliminate the very critics of adjustment in each country that have been most effective in producing evidence on the local-level impact of adjustment. It also would be a violation of the independence of the Citizens' Network in this Initiative with the Bank. Thus, both parties must proceed on the basis of the principles of independence and trust. It was AGREED that, with both sides committed to openness and to an effective and meaningful process, those problems that may arise concerning local participation in the local steering committees and public fora will be discussed and dealt with at both the local and global levels as they arise.

► FIELD INVESTIGATION STAGE

It was agreed to adopt, as a starting point, the recommendations related to the in-country field investigations set forth at the 13-14 June planning meeting. The decisions taken relate to both the development and the implementation of the field methodology. They include:

- The DECISION that an NGO (civil society)/Bank technical team (composed of representatives of separate Network and Bank teams) will develop the basic field-investigation methodology in Washington (which will be discussed at the opening D.C. session) and will assist the local country teams in adapting and implementing that methodology in the field.
- The DECISION that, immediately or shortly after the opening, Phase I forum in each country, teams of representatives of civil society, NGOs and Bank staff will meet to finalize the disputed issues to be investigated in the field and the methodology of the field work, consistent with the project's methodological framework developed in Washington.
- The DECISION that the field investigations will be participatory and rigorous, though not overly complex, drawing on local consultations and research, but will include limited new research and will be carried out in a reasonably short period of time.

It was further AGREED that the details of the global methodology will be left for the technical teams to work out over the next few months, but there was also a brief discussion about some of the key issues that will have to be addressed. They include the need for: gender differentiation built into the analysis of data from the very beginning; locally relevant measures of qualitative evidence; participatory field techniques drawn from existing methodologies; and clarity regarding whether it is impact or causality that is being investigated.

According to the Citizens' Network SC, one of the tensions in the exercise will be determining the definition and standard of rigor in the field work, because, for NGOs, verbally transmitted information is often the most important type and its form does not necessarily mean that the phenomena observed is not widespread. It is central to the exercise to give weight to people's opinions related to the impact of measures on the quality of their lives where quantitative indicators do not exist. Associated with this point is the observation by the Citizens' Network SC that it is important to break down the artificial barrier between economic and social impacts of adjustment policies.

For its part, the WB Team said that the Bank is very interested in developing indicators at the household level and hopes that this exercise will help in that regard. The Team said it is necessary to establish a method of triangulation to deal with several research methods that might yield the same or different results.

Finally, on the issue of the focus of the field investigations (on impact and/or causality), the Citizens' Network SC suggested that the more interesting question is how particular adjustment measures work their way through the real, or political, economy to affect the lives of ordinary people. This question addresses the Bank's overriding stated interest in this Initiative, namely to find out why some adjustment measures fail in implementation. That question, it was suggested, can be answered through that which the Citizens' Network can best offer the Bank, i.e., access to the perspectives of those on the receiving end of Bank-supported policies.

► PHASE II FORUMS

It was AGREED, at the suggestion of the Citizens' Network SC, that the second country fora and the second global forum, be viewed as kick-offs for a second phase of work in which concrete changes in economic policies and policymaking processes will be developed and implemented.

At each of the Phase II fora, the results of the local field investigations will be presented, discussed and assessed. Like the Phase I fora, these public sessions will be organized by the national steering committees composed of the same civil-society organizations and Bank missions in each country. New policy options will be explored, as will follow-up action. At the same time, accountability mechanisms will be established to ensure that concrete steps -- related to changing the local adjustment program, the national SAP-formulation process, and/or the Bank's Country Assistance Strategy and poverty assessments.

The beginning of Phase II in each country will also be marked by the commitment to an ongoing partnership among government, local civil society and the Bank (and the Fund, if possible) in the planning of adjustment programs.

The WB Team did not repeat the position it took in June that the process in each country should not be pre-judged, but it is understood that the extent and nature of change will depend on the quality and nature of the learning that takes place during the exercise.

Conclusions on content and process will be prepared by the national steering committees to be taken to Washington for the Phase II global forum. There, in an open forum, field findings and conclusions will be presented to Bank senior management, citizens' organizations from around the world will discuss the findings and next steps with Bank officials, and Phase II activities will be determined. Issues will include concrete changes in macroeconomic policy and policymaking, the possible extension of Phase I field work into additional countries, and strengthening of local capacity to more systematically include civil society in economic decisionmaking in their respective countries.

► COUNTRY SELECTION

The Citizens' Network SC suggested, and it was AGREED, that the criteria for country selection include other factors besides the length of the nation's experience with SAPs and the strength of its civil society. After much discussion, it was DECIDED to include some countries that are early in the adjustment process so that real change in the economic program is possible, as well as post-conflict countries and a balance of large and small nations.

A discussion of specific countries followed, with the following results:

REGION	AGREED UPON	SHORT LIST POSSIBILITIES
Latin America/Caribbean	Mexico	El Salvador or Nicaragua Bolivia or Peru Jamaica
Africa	Ghana Mali	Tanzania or Uganda Zambia or Zimbabwe or Mozambique
Asia	Bangladesh	Philippines or PNG or India
Eastern Europe		Hungary or Poland

It was agreed that there could not be more than ten countries in the exercise because of the expense involved. The WB Team committed to consult further with Regional Vice Presidents in an attempt to narrow the list, while the Citizens' Network SC committed to reach out to the field to assess the various country situations. It was AGREED that there will be a joint meeting via conference call in early August to make final country selections.

► ACCESS TO BANK DOCUMENTS

The WB Team renewed its earlier commitment to provide total access to all Bank documents relevant to the investigations, in keeping with the pledge to do so by President Wolfensohn. The commitments concerning access to documents made at the 13-14 June meeting were reaffirmed. Those commitments were:

- The DECISION that there will be open access to documents on the Bank's side, as well as NGO sensitivity in the use of documents. The questions of access to pre-loan-agreement documents and to government and IMF information and documents were raised and it was AGREED that the joint steering committee will work out these matters. The exercise in each country will proceed when the availability of documents related to the adjustment programs under review fully satisfies both the Bank and the NGOs and civil society.

The WB team also offered to prepare a list of all Bank documents related to structural adjustment and make it available to the Network Steering Committee.

► TECHNICAL TEAMS

It was AGREED that the Network and the Bank will each form technical teams that will begin work soon to design a participatory research methodology. The two technical teams will meet jointly the week of 23 September (immediately before the 1996 Bank/IMF Annual Meetings) to develop the field-investigation methodology guidelines. Representatives of each team will also visit the field to help the local technical teams to develop and implement that methodology, adapted to local circumstances.

The WB Team said its technical team will tentatively be made up of:

John Clark
Lionel Demery
Emmanuel Jimenez
Minshau Nguyen
Alex Rondos
Lyn Squire
Constance Newman

The Network's team will tentatively be composed of:

Roberto Rubio, FUNDE (El Salvador)
Gita Sen, External Gender Consultative Group/DAWN
Kamal Malhotra, FOCUS on the Global South (Thailand)
Maria Clara Couto Soares, Rede Banco/IBASE (Brazil)
Yao Graham/Charles Abugre, Third World Network-Africa
Steve Commins, World Vision (U.S.)
Atherton Martin, Conservation Association of Dominica

The Network's Secretariat at The Development GAP will confirm this participation, recruit other members who bring important skills to the task, and help set up a communications system among members. In this way, extensive work can be accomplished before a group meeting is held in Washington in September in preparation for the joint team meeting with the Bank.

► **MANAGEMENT STRUCTURE**

The Citizens' Network SC said that as the Network grows, involving new constituencies, the Network Steering Committee will also grow, incorporating representatives of these groups and, most probably, the lead citizens' organizations in each of the ten countries. The Citizens' Network SC also announced that it has formed an Executive Committee to deal with routine functions between Steering Committee meetings. Tentative members of the Executive Committee are:

Roberto Rubio, FUNDE
Charles Abugre, Third World Network-Africa
Gita Sen, External Gender Consultative Group
Manuel Chiriboga, ALOP
Marijke Torfs, Friends of the Earth
Gemma Adaba, Public Services International
Doug Hellinger, The Development GAP (Coordinator)

It was AGREED that the World Bank will name an Executive Committee that, together with the Network Executive Committee, will constitute a Management Team that will guide the exercise on a daily basis. The Bank will maintain a secretariat, in Lyn Squire's office, that will be staffed by Constance Newman. The Network will maintain a secretariat, in the offices of The Development GAP, that will be staffed by Tony Avirgan, with administrative support.

► **TIMETABLE**

The following schedule was established for the Initiative:

July-August '96	Final country selection; technical-team work; fundraising
September-November '96	Establishment of national steering committees; meeting of Citizens' Network and Bank technical teams to finalize guidelines for field-investigation methodology; preparation for Phase I Global Launch
November-December '96	Global Launch
January-March '97	Preparation of Phase I country fora
March-April '97	Phase I country fora and preparation for field investigations
March-October '97	Field investigations
October-December '97	Phase II country fora
Early 1998	Phase II global forum

► **PUBLICITY**

It was agreed that transparency is a cornerstone of the exercise, but that all parties will refrain from proactively seeking publicity for the exercise before the Global Launch. At the same time, it was agreed that both parties will respond honestly to inquiries from journalists and that each party will always refer journalists to the other party.

► **INITIATIVE FINANCES AND BUDGET**

The WB Team presented a preliminary \$2.6 million project budget, which included Bank staff time, for Citizens' Network SC consideration. After a brief discussion, the two secretariats were authorized to work out the details of the budget with steering committee input.

It was AGREED that funding for the Initiative will be sought from European bilateral donors for trust funds at the Bank and that solicitations for these funds will be made jointly by the Bank and the Citizens' Network SC. It was reported that both parties had already initiated independent contacts with European sources. It was AGREED that Network funds for both the implementation of the exercise in the ten countries and for global functions related primarily to coordination and travel will be directly earmarked by donors for, and independently managed by, the Citizens' Network SC.

She already called requesting appt. OK?

~~See~~
if
PG ~~to~~
can meet
her
instead
⑨

A L L - I N - 1 N O T E

DATE: 17-Jul-1996 03:08pm

TO: Robert Picciotto

(ROBERT PICCIOTTO)

FROM: Rachel Weaving, DGO

(RACHEL WEAVING)

EXT.: 31719

SUBJECT: Nancy Alexander again

I spoke with her. She would like to meet with you to dicuss how you see the changes in portfolio management policies and practices now afoot in the Bank. She explained that she has recently visited a number of people in the Bank, including Prem Garg and Myrna Alexander, and that she is "not hopeful" that the current reform process will have a worthwhile outcome.

She said repeatedly that she holds OED in high regard. But she has already published some pronouncements on portfolio management reform in her July newsletter (which I will get hold of). So I hope her mind is not already closed on the subject.

Rachel

CC: Rosa Maria Wiemann

(ROSA MARIA WIEMANN)

*FRI, July 26, 1996
2:30 pm*

*Wait for
Rachel's
instructions*

A L L - I N - 1 N O T E

DATE: 16-Jul-1996 03:35pm

TO: Robert Picciotto

(ROBERT PICCIOTTO)

FROM: Rachel Weaving, DGO

(RACHEL WEAVING)

EXT.: 31719

SUBJECT: FYI: Nancy Alexander

I will talk with her to find out what kind of commenting she has in mind and at what stage of her work. (I'm glad she is interested but want to make sure we shall not be "coopted".) Do you have views at this stage?

On the borrower survey Precis I will not make the background docs available but will try to answer her questions.

Rachel .

RM

Nancy Alexander called for another appointment w/ RP to discuss OED work.

Rachel is calling her anyway for details.

(301) 608-2400 ext. 277

July 17

A L L - I N - 1 N O T E

DATE: 16-Jul-1996 03:10pm EST

TO: rweaving (rweaving@worldbank.org@INTERNET

FROM: Nancy Alexander and Mizane - Bre, (bankwatch@igc.apc.org@INTERNET

EXT.:

SUBJECT: OED Precis

Dear Rachel, I'm not sure we have met. I did meet with Bob Picciotto when you and he were drafting your paper on the new project cycle. That was a great piece of work.

I manage a project on the MDBs for Bread for the World Institute. Currently, I am writing a paper on the portfolio reform process of the Bank. A rather ambitious project, to say the least!

I would appreciate comments by yourself, Bob Picciotto or someone you would suggest at OED.

However, my urgent need is for the background documentation for OED Precis #114 on World Bank Performance issued last month. As usual, the Precis is well-done, but it raises lots of questions that I'm hoping the background documents address. Are the background materials available? Can you identify them for me?

Thank you. Nancy Alexander

A L L - I N - 1 N O T E

DATE: 17-Jul-1996 03:08pm

TO: Robert Picciotto (ROBERT PICCIOTTO)

FROM: Rachel Weaving, DGO (RACHEL WEAVING)

EXT.: 31719

SUBJECT: Nancy Alexander again

I spoke with her. She would like to meet with you to discuss how you see the changes in portfolio management policies and practices now afoot in the Bank. She explained that she has recently visited a number of people in the Bank, including Prem Garg and Myrna Alexander, and that she is "not hopeful" that the current reform process will have a worthwhile outcome.

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Rachel

CC: Rosa Maria Wiemann (ROSA MARIA WIEMANN)

A L L - I N - 1 N O T E

DATE: 09-Jul-1996 04:12pm

TO: Robert Picciotto (ROBERT PICCIOTTO)

FROM: Christopher Gibbs, OEDD1 (CHRISTOPHER GIBBS)

EXT.: 31735

SUBJECT: NGO Numbers in "Gendernet"

You ask if the numbers about Bank-NGO relations cited in the June issue of "Gendernet" make sense. The short answer is that they do, but with a major caveat.

The numbers cited in the publication are taken directly from the database of the Bank's NGO unit (John Clark's group). Each year, going back to 1983, SARs have been reviewed and the planned involvement of NGOs in newly-approved projects has been recorded in the NGO unit database.

The problem is that this database records (largely) statements of intention about NGO involvement, i.e. the planned incidence of NGO involvement in Bank-supported work. NGO involvement up to and including appraisal should be reliably reported. The database does not record, however, what is actually happening (or happened) during implementation or the depth of the involvement with NGOs.

If a Bank task manager plans to work with an NGO during project implementation, and this is mentioned in the SAR, an "NGO involvement" is recorded. If this involvement fails to materialize in practice, the record still stands. If the involvement is minor - a single consultation about a work program, for example - it receives the same attention in the database as a major involvement - such as a major contract with an NGO to implement a project component.

If NGO participation takes place that is unplanned at appraisal, or not mentioned in the SAR, it is not recorded in the NGO database. OED experience of completed projects suggests that this happens quite often. On balance, however, the danger is of overclaiming on NGO involvement in Bank-supported projects.

The level of financial resources to be devoted to NGO activity, or channeled through NGOs, in Bank-supported projects is not consistently recorded in the NGO unit database. Most often it goes unrecorded because the SAR is not specific. When the level of resources to be devoted to NGO activity is included in the SAR, it often overstates what will actually flow to, or via, NGOs. Rather the total planned commitment to a project component with (some/any) NGO involvement is recorded. The result is that it is difficult to determine without enquiring from task managers just what proportion of Bank loans or credits is channeled through NGOs, and they do not always know.

During the preparatory phase of the NGO study, where we are analyzing the NGO unit's database and talking to task managers, we will derive more reliable and informative estimates of Bank-NGO involvement.

CC: ROGER SLADE

(ROGER SLADE @A1@WBHQB)

A L L - I N - 1 N O T E

DATE: 08-Jul-1996 03:18pm

TO: Robert Picciotto (ROBERT PICCIOTTO)

FROM: Rachel Weaving, DGO (RACHEL WEAVING)

EXT.: 31719

SUBJECT: re Religious working group meeting

I've started collecting information, as we discussed.

Both Carl Jayarajah and Chris Gibbs will be happy to make presentations with you and/or answer questions from the floor. Chris will be out of town until August 5; we are fixing a preparatory meeting for the three of you on that day.

Meanwhile, I will meet with Carl this week to discuss his approach. If, instead, you would like to meet with Carl yourself we'll arrange this.

Rachel

A L L - I N - 1 N O T E

DATE: 08-Jul-1996 03:07pm EST

TO: Rachel Weaving

(RACHEL WEAVING@A1@WBW

FROM: Mark Baird, DECVF

(MARK BAIRD@A1@WBHQB)

EXT.: 31666

SUBJECT: RE: Request for advice

Rachel:

My previous blank reply was not my final word! We are currently working on an informal survey on where we stand on adjustment lending, including a bibliography on relevant readings. I will try to get an advanced, personal copy to Bob next week. We'll also look through some of the other recent papers we've received from Killick etc, in case Bob hasn't seen them. On debt, you should talk directly with Nawal Kamel.

Mark

CC: Deborah Wetzel

(DEBORAH WETZEL@A1@WBH

Mr. Picciotto

RECEIVED

JUL 1 AM 11:56

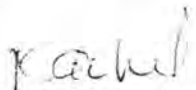
Re speaking request from Center of Concern

I spoke with Kris Martin (Issues Management Divn, EXT), who has been the Bank's main contact person with the Center of Concern and the Religious Working Group, and sent us the attached information. Jo Marie Griesgraber, the author of the letter to you, prepared the 1994 conference volume on "Rethinking Bretton Woods".

Kris Martin thinks it will be very helpful if you do meet with them. Though these are the people who have candlelight vigils and processions down K Street during the Annual Meetings, EXT finds them "very good, intellectually, and genuinely seeking to understand the issues and how the Bank sees them". We should let EXT know what you decide.

She suggests mentioning the joint DEC/NGO review of adjustment managed by Lyn Squire. In the course of the meeting you might also want to mention evaluation and the Bank's change agenda.

Please let me know if you'd like me to help set something up.


Rachel Weaving
July 1, 1996