

THE WORLD BANK GROUP ARCHIVES

PUBLIC DISCLOSURE AUTHORIZED

Folder Title: Gloria Davis - Subject files - History - Background Materials 1980

Folder ID: 30098641

Fonds: Personal papers of Gloria Davis

Dates: 1/9/1973 - 1/9/1973

ISAD Reference Code: WB IBRD/IDA DAVIS

Digitized: 5/9/2017

To cite materials from this archival folder, please follow the following format:
[Descriptive name of item], [Folder Title], Folder ID [Folder ID], World Bank Group Archives, Washington, D.C., United States.

The records in this folder were created or received by The World Bank in the course of its business.

The records that were created by the staff of The World Bank are subject to the Bank's copyright.

Please refer to <http://www.worldbank.org/terms-of-use-earchives> for full copyright terms of use and disclaimers.



THE WORLD BANK
Washington, D.C.

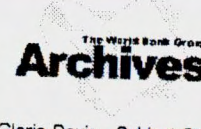
© 2012 International Bank for Reconstruction and Development / International Development Association or
The World Bank
1818 H Street NW
Washington DC 20433
Telephone: 202-473-1000
Internet: www.worldbank.org


PUBLIC DISCLOSURE AUTHORIZED

1 [History - Background material 1980s] [Junk Sociology]



DECLASSIFIED
WBG Archives


**Archives**


**30098641**

A2011-001 Other #:

358861B

Gloria Davis - Subject files - History - Background Materials - 1980

**Archives**

**30098641**

A2011-001 Other #:

358861B

Gloria Davis - Subject files - History - Background Materials - 1980

Date: August 11, 1983
To: Mr. Shahid S. Husain (OPSVP)
From: Gloria Davis (for the Bank Social Science Group)
Ext.: 74215
Subject: Bank Structure and the Use of Social Scientists

1. We are writing to you because of your role in promoting quality control and providing policy advise to the regions.

2. In the current Bank environment of internal fiscal constraint, the twin objectives of limiting manpower and decentralizing quality control have special significance for social scientists. With limited budgets for staff and consultant services, divisions are less and less likely to include social scientists in preparation and appraisal; there is no mechanism for ensuring sound social analysis of projects at the regional level; and the capacity of OPS to undertake this task is limited. This constellation of factors is of particular concern at a time when internal Bank reviews emphasize the need for increased attention to social factors in project design and implementation.

3. To address this problem, one alternative would be to increase the number of technical specialists, whether foresters, anthropologists or procurement advisors, in regional front offices. While no single division can support the services of such specialists, a region could easily do so. These specialists

would be available to assist divisions and to identify consultants as required. They could also oversee quality control in their fields of specialization. Such an arrangement would ensure that problems were identified early in the project cycle. It would also improve the quality of specialist work since a geographical region provides a manageable span of control while a worldwide knowledge of culture, agriculture, forestry or procurement practices is difficult.

4. The most obvious objection to this arrangement is that it would require additional manpower. We do not believe this to be the case. There are more than enough social scientists, for example, already within the Bank to fill five regional positions and we believe that by rationalizing Bank structure such individuals would have a broader impact and potentially decrease the demand for short term specialists.

5. If the Bank is not able to create these positions we ask that consideration be given to modifying the structure of OPS to ensure that projects other than agriculture have adequate quality control in social fields. One alternative would be to join staff working on women's issues, agriculture and tribal societies and resettlement in a unit responsible for social affairs.

6. The present situation is structurally obsolete. We are looking for alternatives and would be glad to discuss options with you.

cc.

Manual Transmittal Memorandum

February 6, 1984

Revised OMS on Project Appraisal

1. Attached is a revised OMS 2.20 on Project Appraisal which updates and expands the one issued in 1971. It is intended as a codification of existing practices and does not involve a change in prevailing policies. In particular, it involves the following major changes from the existing OMS 2.20:

- (a) a more systematic treatment of the economic aspects of project appraisal, including, for example, references to the sectoral setting of projects, differences between the economic analysis in different sectors, poverty alleviation, sensitivity and risk analysis;
- (b) a new section on Institutional Aspects of Project Appraisal, which deals both with organizational and management requirements for implementing and operating the project, as well as with longer term institutional development objectives;
- (c) a more extensive discussion of technical, financial and commercial aspects;
- (d) a discussion of procurement issues;
- (e) a new section on Sociological Aspects of Projects;
- (f) a new section on Technical Assistance; and
- (g) an update of Responsibility for Project Appraisal to reflect organizational changes in the Bank since 1972.

2. Please discard the previous Operational Manual Statement No. 2.20, dated March 1971, and replace it with the attached.

Attachment

Operational Manual Statement

The World Bank

OPERATIONAL MANUAL STATEMENT PROJECT APPRAISAL

INTRODUCTION

1. The purpose of this OMS is to present an overview of (a) the general objectives of project appraisal (paras. 2-7); (b) the major aspects of project appraisal (paras. 8-69); (c) the procedures to be followed (paras. 70-74); and (d) the responsibility of the Departments involved (para. 75). Greater detail is provided in other OMSs and in OPNs, to which references are made herein.¹ In addition to financing projects, the Bank also supports broader programs of policy reform and institutional change, usually directed at structural adjustment, by financing a general list of imports unrelated to a particular project; however, the OMS does not deal with such structural adjustment loans or program loans. The OMS also does not deal with the presentational aspects.²

GENERAL OBJECTIVES

2. The Bank,³ under its Articles of Agreement, is required to lend its funds, except in special circumstances, for specific "projects." The Articles do not define what is meant by a "project." Over the years, however, a project has come to mean a set of interrelated expenditures designed to achieve, within a specific period, specific objectives of (a) increasing, rehabilitating, maintaining better or using more fully productive capacities or economic and social infrastructure; (b) strengthening local institutions concerned with preparing, implementing or operating such programs through technical assistance and training; or (c) providing services related to such expenditures (such as for design, engineering, supervision of construction or other assistance in implementation). Bank loans for projects are normally associated with specific, time-phased actions on policy and institutional issues (e.g., pricing, subsidies, cost recovery, financial management, organizational arrangements) relating to the project or the sector concerned.

3. Because the Bank can finance only a small part of the investment program of any country, each project in which the Bank participates should preferably include elements that give it special significance and have catalytic or demonstration qualities that make the project as a whole more important than the financial contribution itself. These elements could be key government policy decisions, the introduction of institutional or legal changes, demonstration of new technologies or institutional approaches, or improved methods of project implementation.⁴

4. Each project and its component elements must be as precisely defined as practicable. Such precision is necessary for several reasons: (a) to provide the basis for the decision on whether or not to go ahead with the project; (b) to assure consistency of components with one another and with project objectives; (c) to help realize the catalytic or demonstration effects sought as part of the project; (d) to help achieve the understandings and prepare the detailed planning on which implementation and supervision should be based; and (e) to facilitate evaluation when the project is completed. Experience suggests that special emphasis should be put on planning for implementation, including a program for ensuring that all resources and actions required for implementation will materialize at the appropriate time. However, since projects cover a number of years during which new lessons are being learned and unforeseeable events are inevitable, the project concept must be sufficiently flexible to permit needed modifications as implementation proceeds. Flexibility is particularly important for projects in which the implementation process cannot be determined in advance with great precision (e.g., rural development and family planning projects).

5. Project appraisal is a stage in the project cycle which follows completion of project preparation.⁵ Project

¹For special guidance on Sector loans, see Annex A of OMS 1.19, "Sector Lending," and OPN 10.03, "Highway Sector Lending."

²See OMS 3.04, "Format and Content of Staff Appraisal Reports."

³References to the Bank (and loans) also apply to IDA (and credits).

⁴See OMS 1.19, "World Bank Goals in Project and Non-Project Lending."

⁵See OMS 2.00, Annex I, "List of References to Various Stages of the Project Cycle." See paras. 70-74 below for the relation between project preparation and appraisal.

Operational Manual Statement

The World Bank

Appraisal is the final process by which the Bank determines the suitability of a project for Bank financing. It provides a comprehensive review of all aspects of the project, lays the foundation for its implementation after it has been approved for Bank financing, and for evaluation when completed.

6. The Bank appraises projects for two main reasons. As a development institution, the Bank is concerned that the resources it lends should make a significant impact on the economic and social development of its borrowers. And as a borrowing institution, the Bank is concerned to maintain its credit standing in the financial markets of the world, which depends partly on its reputation for financing sound projects.

7. The aim of appraisal is to examine and evaluate the economic and social objectives which a project is designed to meet, to assess whether the proposed project is likely to meet these objectives efficiently, and to recommend conditions that should be met to ensure that the purposes of the project will be achieved. Appraisal covers both the project and the entity or entities which will implement and operate it.¹

MAJOR ASPECTS OF PROJECT APPRAISAL

8. The Bank's approach to project appraisal reflects its character as a development institution. Unlike creditors, promoters or suppliers of equipment, who are primarily concerned with the net revenues of an entity and its ability to pay back any advances or earn a reasonable profit, the Bank also looks at each project in the framework of the whole economy and of the sector of which the project would form a part. Thus, appraisal assesses how effectively the project would contribute to the achievement of the country's development objectives.

9. In practice, the Bank's project appraisal includes the investigation of six different aspects of projects: (a) economic, e.g., project costs and the size and distribution of benefits (paras. 10-17); (b) technical, e.g., engineering design and environmental matters (paras. 18-25); (c) institutional, e.g., management and organization (paras. 26-36); (d) financial, e.g., requirements for funds and the financial situation of the implementing agency and of other beneficiaries affected by the project (paras. 37-45); (e) commercial, e.g., procurement and marketing arrange-

ments (paras. 46-54); and (f) sociological aspects, e.g., socio-cultural factors and impact on specific target groups such as women (paras. 55-69). The six aspects are described in greater detail below. While the various aspects are interrelated, their relative importance differs, depending on the nature of the project. In order to cover these aspects, project appraisal requires the collaboration of professional staff of several disciplines, e.g., economists, financial analysts, technical specialists (i.e., engineers, agriculturists, educationists, environmental specialists, regional planners, etc.), lawyers, sociologists and experts in management and public administration. Because many Bank projects also provide for technical assistance, a separate section outlines the requirements for appraising such assistance. Since the Bank appraises a wide variety of projects, this OMS makes no attempt to indicate every question that may have to be investigated, but mentions only the more common types.

A. Economic Aspects

10. As a development institution, the Bank expects that the projects it finances will make a positive contribution to the developmental objectives of the borrowing countries and that there are no alternative means of obtaining the same benefits at a lower cost to the economy (see also para. 22). A central objective of the Bank's economic appraisal is, therefore, to ascertain whether the proposed project represents an appropriate use of the country's resources, taking into consideration the objectives and constraints facing the economy; whether the project returns could be improved through changes in parameters such as the project scale, technology, timing, location, composition and the method of implementation; and whether the project includes adequate incentives for the various participants.

11. Given the fungibility of resources and that Bank assistance constitutes only a small fraction of the total investment budgets in the borrowing countries, the objectives of Bank appraisal generally extend beyond the questions of "viability" and "optimality" of a specific investment. In particular, Bank-supported projects should be part of a sound sectoral development program, including an appropriate set of sectoral policies. An integral objective of appraisal is to ensure that individual projects contribute to these sectoral policies.

¹The word entity or agency in this OMS covers government agencies, as well as autonomous enterprises in the private or public sector.

Operational Manual Statement

The World Bank

12. Normally, the broader sectoral issues related to sectoral objectives and policies would be analyzed as part of the country economic and sector work well before the Bank undertakes to appraise a particular project.¹ The task during appraisal is then to ensure that the project adequately reflects the recommended sectoral strategy. Occasionally, however, at appraisal the Bank may not have an adequate understanding of the sectoral issues and policies. Such cases require both a more thorough analysis of the key sectoral policies during appraisal and the development of a well defined program of studies needed to improve sectoral understanding for future operations; if necessary, such studies could be included in the project.

13. Economic appraisal requires the identification, quantification and valuation of the costs and benefits likely to be associated with a project.² These tasks frequently involve major conceptual and practical problems because, for example:

- the relationship between project inputs and outputs may be difficult to quantify, e.g., the impact of soil conservation measures on crop yields;
- some project outputs may not be marketed and their valuation is difficult, e.g., education, health, extension services, time savings;
- due to distortions caused by government policies, externalities and/or non-competitive behavior of producers/consumers, market prices may not be a good measure of costs and benefits to an economy; and
- there may be a lack of consensus within the country about the appropriate trade-offs between the country's various objectives, e.g., trade-offs between efficiency, equity, regional balances.

Also, since economic appraisal necessarily involves long-range forecasts of the country's future objectives and constraints as well as of prices of key inputs and outputs,

there is inherently a large element of uncertainty in the judgments made.

14. The extent to which the above problems complicate project appraisal varies a great deal among different sectors, so that the specific form of analysis for a project must be tailored to the "state of the art" in the respective sector. In agriculture and industry, for example, where outputs can generally be valued by reference to world market prices, fairly comprehensive quantification of costs and benefits is possible and the results are usually expressed in terms of the net present values (NPVs) and/or the economic rates of return. On the other hand, in many public utility projects, prices are set by governments and the benefits to consumers may significantly exceed the regulated prices charged to them. However, as the current state of the art does not permit a reliable quantification of these benefits (particularly of consumer surplus), the anticipated project revenues are often used as a proxy for the minimum economic benefits and the analysis focuses on whether the demand projections and tariffs are reasonable and whether the project is the "least-cost" alternative. Again, for most highway projects, even tariff-based revenues may not be available as measures of economic benefits, and "avoided costs" such as expected reduction in vehicle operating costs and/or in road maintenance costs, need to be used as proxies. Finally, for projects such as those in education, health, nutrition, population planning and sanitation, no meaningful prices exist so that the economic analysis focuses on providing, in the most cost-effective manner, service levels determined on macro considerations.

15. Where reduction of income disparities and poverty alleviation³ are important objectives, the economic appraisal should include an assessment of the project's contribution to these objectives. While in many cases a broad qualitative assessment is adequate, in some cases more detailed quantitative analysis may be necessary, e.g., for projects with marginal economic returns but possibly high income distribution benefits. A quantitative assessment requires allocation of costs and benefits according to the income status of the affected population. In practice, it may be difficult to determine poverty "target" income

¹See OMS 1.11, "Country Economic Analysis and Reports," and OMS 1.13, "Country Sector Work."

²See OMS 2.21, "Economic Analysis of Projects." OPNs 2.01-2.10 refer to a number of issues in appraising economic aspects.

³See OPN 2.07, "Reporting and Monitoring Poverty Alleviation Work in the Bank," for determination of income levels defining poverty target groups for use in Bank operations.

Operational Manual Statement

The World Bank

levels of beneficiaries and to allocate costs and benefits, particularly where project outputs are intermediate goods and services. Even where they can be allocated, there may be a lack of consensus on the weights which should be given to costs and benefits at different income levels.

16. The economic analysis of a project incorporates foreign exchange and employment effects through the shadow pricing of non-traded inputs and outputs. In some projects it may, however, be of interest to describe these effects separately. For this purpose, it is usually sufficient to follow the common practice of including only the easily identifiable direct foreign exchange and employment effects. However, such effects should not be represented as separate from, or additional to, the effects considered in the economic analysis.¹

17. Irrespective of the specific form of analysis adopted for a project, the appraisal normally includes assessing the sensitivity of the project viability to changes in the key parameters of the project, together with a judgment on the likely variation from the basic assumptions. For projects with marginal returns or large risks, further quantification of the risks through formal risk analysis is also desirable. Where necessary, the appraisal also includes recommendations regarding precautionary measures which should be undertaken to reduce the risks (see also paras. 23, 41 and 61).²

B. Technical Aspects

18. The Bank requires a project to be based on sound design, engineering and agricultural, educational or other technical principles, appropriate to the circumstances of the project, the enterprise and the country in question. The Bank normally lends for projects that are based on technologies and approaches that have been proven successful on a significant prototype scale. However, the Bank is also receptive to innovative projects provided the potential benefits are commensurate with the risks. Promising but relatively untested technologies and approaches also can be supported either through free-standing pilot or demonstration projects or as components of a larger

project in a related field. It is the responsibility of the appraisal staff to render a judgment on the merits of the technical proposals, on the adequacy of the cost estimates, and on the competence of the borrower's technical staff and its consultants, if any, to design and execute the project, and to ensure its proper operation and maintenance. The appraisal report should summarize the facts and procedures which provide the basis for such a judgment.

19. Among the technical factors to be investigated are the proposed magnitude of the project; the types of processes, materials, equipment, and technical packages to be used; the project location; its timing and phasing; the suitability of the plans, layout and design; the availability of the various factors of production, both physical and human; the availability of necessary infrastructure; the proposed methods of implementing, operating and maintaining the project; the contracting procedures and arrangements for procurement of goods, works and services; and the realism of the implementation schedules, phasing of the benefits and the level of benefits at full development.³

20. A vital part of the technical appraisal is to review the estimates of investment and operating costs of the project, and to ascertain whether sufficient allowance has been included for physical contingencies, for changes in the general level of costs during the implementation period, for working capital, etc.; whether the timing of the estimates corresponds with the implementation program; whether they are properly broken down to identify the costs of the project's main physical elements and to show what proportion of the total cost is likely to be local and what foreign. As a general rule, project preparation should be sufficiently advanced at the time of Board presentation that procurement and other important phases of project implementation can start shortly after loan approval, and reliable cost estimates should reduce the need for physical contingencies to a minimum.⁴ Appraisal should be based at least on good feasibility studies and preliminary designs, but additional studies, designs and cost estimates may be required during the period between appraisal and Board presentation (see paras. 70-71).

¹See OPN 2.05, "Foreign Exchange Effects and Project Justification."

²See OPN 2.02, "Risk and Sensitivity Analysis in the Economic Analysis of Projects."

³See OMS 2.40, "Procurement"; OMS 2.50, "Services of Consulting Firms for Bank Group Projects and UNDP Studies"; OMS 3.80, "Safety of Dams"; OMS 4.00, "Financing of Technical Assistance and Engineering"; and OPN 4.02, "Procurement: Checklist for Appraisal."

⁴See OMS 2.28, "State of Project Preparation Necessary for Loan Approval."

Operational Manual Statement

==== The World Bank =====

21. The difficult question arises as to the depth of Bank reviews of the project's technical aspects. Clearly the Bank cannot be expected to redo the work of the borrower's technical staff and consultants who have done the detailed work. The appraisal is not responsible for design or engineering of proposed projects—nor should this impression be given to the borrower or to consultants. Nevertheless, Bank staff must question and spot-check sufficiently to judge the project's technical soundness. Where possible errors or weaknesses are identified, the staff should not hesitate to ask for further explanation. If these inquiries lead to doubts on any significant aspect, additional work should be requested of the government agency. If staff are hesitant to make a judgment on important areas due to lack of knowledge and experience, they should seek the advice of colleagues specialized in these areas, and, if necessary, recommend that the Bank retain consultants.

22. When the mission reviews the proposed design with the borrower's staff and consultants, it should review the degree of detail of the proposed design and the alternative studies. It should be satisfied that no worthwhile alternatives have been overlooked, and that the final solution is the optimum from a technical and economic point of view. Where differences in estimated costs of alternatives are small and can be accurately determined only on the basis of actual bids, the desirability of asking or allowing contractors to submit bids for alternative designs should be considered.

23. The Bank requires borrowers to provide adequate insurance for goods and works financed under a project to permit their replacement or repair in the event of loss or damage. For large and complex projects, consideration should be given to having a comprehensive risk analysis made by specialists in this field to determine whether risks could be reduced by design changes, and what types and amounts of insurance are most appropriate.¹

24. The project's possible effects on the country's environment and on the health and well-being of its people must be considered at an early stage. The project should

adapt the standards of protection to the circumstances of the project and country, and incorporate those environmental measures that are considered essential and appropriate. Should international agreements exist that are applicable to the project and area, such as those involving the use of international waters, the Bank should be satisfied that the project plan is consistent with the terms of the agreements.² In countries where the laws, rules or regulations governing environmental matters may be inadequate, the staff should consider the merits of encouraging appropriate legislation, if necessary, to mitigate serious adverse environmental consequences of a project.³

25. During project preparation and appraisal Bank staff should judge the competence, experience and commitment of those handling the project. Assessment of these aspects and reporting on them are an important, but sensitive, task. Even though the reputation of the borrower's technical staff and consultants may be good, Bank experience suggests that a thorough review of all technical aspects, including spot-checking details, should be a normal procedure.

C. Institutional Aspects

26. Institutional aspects of Bank-financed projects comprise (a) the organizational, managerial, administrative and legal requirements for implementation and operation,⁴ and (b) the longer-term institutional development objectives. The latter objectives could either address a broad range of institutional issues of an agency or group of agencies, or issues related to sectoral or subsectoral organizational structures, or be limited to certain aspects of the agency's operations.

27. Institutional objectives generally aim at strengthening the capacity of an agency (or agencies) with regard to: (a) management methods and techniques, including monitoring and evaluation; (b) organizational arrangements; (c) planning; (d) staffing and training; (e) financial management systems and performance (financial planning, accounting and auditing); (f) operation and maintenance systems; (g) interagency coordination; and (h) sectoral policies.

¹See OPN 3.08, "Insurance for Projects" (under preparation).

²See OMS 2.32, "Projects on International Waters."

³See OMS, "Environmental Aspects of Bank Work" (under preparation).

⁴See OMS 2.30, "Organization and Management of Project Entities."

Operational Manual Statement

The World Bank

28. The appraisal should indicate clearly the project's institutional development objectives, whether they will be focused primarily on project management and implementation, or whether longer-term institutional improvements are included. These longer-term objectives should be so specified that they can serve as yardsticks in assessing the Bank's role in follow-up loans to the same borrower and for determining clearly when the institution is reasonably self-sufficient.

29. Institutional and managerial aspects are an integral part of project design, because technical, economic, financial, commercial and institutional aspects are interrelated. Project design cannot merely assume the availability of institutional resources which might, in fact, not be available, nor should it place an undue burden on the existing agencies.¹ The appraisal should, therefore, evaluate how institutional aspects were taken into account in the project design, the alternatives considered, and the reasons for the final proposed design.

30. Institutional development components of a project are generally one phase of a longer term effort between the borrower and the Bank. Institutional development objectives are, therefore, usually pursued through a series of projects and their achievement may require long periods of time, frequently more than a decade. Thus, the identification and preparation of institutional development components need to be undertaken as part of this long-term effort, usually during the implementation of a previous project or in the context of sector work.

31. Borrower commitment is particularly important for these components, not only because of their long-term nature, but also because their success may depend heavily on actions by a large number of local officials. Commitment should be assured not only from the agencies involved, but also from other key agencies, such as planning or finance.

32. Institutional development components of projects should be treated with the same care and attention as the investment components, and their appraisal includes five major topics. First, is the general situation bearing upon the choice of project management arrangements and institutional development objectives, including country and sector institutional background and objectives, and

the relationship of these to bank lending programs and institutional strategy. This requires a review of the implementing agencies, the sector organization, broader institutional conditions (civil service or other employment regulations, budgeting and procurement procedures) which affect the sector, and regional, provincial and local level organizations, if pertinent. Social, historical, legal and other country-specific features that influence institutional performance may also require consideration.

33. Second, are project management and organizational arrangements, indicating (a) the responsibilities, authority and accountability of the implementing agency; (b) the role of other entities involved and the provisions for adequate cooperation; and (c) the workload, staffing levels and other resources required and the adequacy of incentives to assure their efficient utilization.

34. Third, are institutional development objectives, including (a) the alternatives considered; (b) measures and actions required by the government or borrower and the Bank to ensure effective implementation, as well as their timing.

35. Fourth, is the detailed specification of the implementation schedule. However, since it is not possible to have a rigid blueprint for achieving institutional objectives, sufficient flexibility should be allowed during implementation to adapt implementation methods to new circumstances.

36. Fifth, are the requirements for monitoring and evaluation of the institutional aspects and the identification of any special requirements to ensure adequate Bank supervision.

D. Financial Aspects²

37. The purpose of the financial appraisal by the Bank is to ensure the financial viability of the project and sound financial management of the project agencies, thereby promoting sustainable development in the borrowing country and protecting the Bank's own accountability and financial standing. The nature and scope of the financial appraisal varies depending upon whether or not the project is revenue-earning and the extent to which the implementing agencies are financially autonomous. The

¹See OPN 10.01, "Project Complexity."

²OPNs 3.01, 3.02, 3.05, 3.06 and 3.11 deal with a number of financial aspects of project appraisal.

Operational Manual Statement

===== The World Bank =====

country context also has an important bearing on the type of analysis undertaken and on the judgments reached. For example, the potential for financing a project by raising loan or equity capital domestically from non-governmental sources will depend on how developed the country's capital markets are. Similarly, judgments on the accounting and auditing standards to be used will depend, in part, on the quality and number of trained accountants.

38. The financial appraisal always includes a review of the reliability of the project's financing plan and of the adequacy of the accounting and auditing arrangements.¹ In addition, the financial appraisal may include consideration of some or all of the following: project profitability; the financial effect on the intended beneficiaries; the impact on the government budget; the financial management capability of the implementing agencies and the need for any technical assistance; the appropriateness of financial autonomy given to the project agencies and the need for any organizational changes; the adequacy of the proposed standards of financial performance to be achieved during project implementation and operation; and recommendations for loan covenants covering financial performance. For projects which constitute an exceptionally large part of a country's total investment program, appraisal might also include an analysis of the impact of the project on the country's debt service.

39. Whenever possible, for a revenue-earning project (e.g., one with marketable outputs, such as a utility, an industry, an agricultural estate, or a port), the expected financial rate of return on the project investment is estimated as a summary measure of the expected profitability.² An analysis is also made of the amounts, terms and conditions of capital funds required for project implementation and of the adequacy of revenues resulting from the project to cover the project's operating and maintenance costs, provisions for depreciation, and debt service requirements. For these purposes, a review is made of the annual financial projections for the project including: (a) project income statements showing revenues and other income and costs of operation, maintenance, depreciation and interest on borrowed funds; and (b) project funds statements showing investment, working capital, and debt service requirements, and sources of financing including internally generated funds from operations and externally provided loan and equity capital. In this connection,

appraisal should examine the possibilities for cofinancing from commercial, bilateral or international sources. In some cases (e.g., the project is part of a large investment package rather than a self-contained investment), a separate analysis of project expenditures and revenues may not be meaningful and the appraisal should, therefore, focus on the soundness of the implementing agency's overall operations (para. 40).

40. For projects implemented by autonomous or semi-autonomous entities, a comprehensive analysis of the entity's historical and forecast financial performance is also made to cover all activities, including its existing operations, the project and any other planned investments. Annual financial statements detailing these activities include income statements, statements of sources and applications of funds, and balance sheets. Projections are usually made for the implementation period of the project and its operation period through the first fiscal year after full profitability or full development of the project is achieved. Based on the financial forecasts, summary measures of creditworthiness and expected profitability, such as debt service coverage, operating ratio and returns on invested capital or equity are estimated. When a revenue-earning entity has more than one significant business activity (e.g., a water supply company also providing sewerage service or an industrial enterprise with manufacturing facilities at different locations), each major functional activity of the responsible agency is reviewed separately to ensure that the overall profitability targets for the entity do not conceal inefficiencies in individual operations. When the project is a minor part of the implementing agency's overall operations and is therefore unlikely to have a significant impact on its overall financial situation, it may not be practical to expect comprehensive financial forecasts for the entity; in such cases, an analysis based on historical financial statements is usually adequate, accompanied by separate accounts and forecasts for the project and the operations associated with it.

41. A key element of the Bank's financial appraisal is to assess: (a) the reasonableness of the financial forecasts; (b) the appropriateness of pricing policies/tariff levels; and (c) the possibilities for reducing costs and improving performance in such respects as labor/output ratios, billing and collections, inventory management and main-

¹See OMS 2.31, "Audits of Project Entities' Accounts."

²See OPN 3.02, "Guidelines for Presentation of Financial Analysis," Section VI.

Operational Manual Statement

The World Bank

tenance practices. Judgements are also made on whether the entity is likely to have sufficient working capital; whether debt service (interest plus amortization) is likely to be covered adequately; and whether other commitments (such as the financing of non-project investments) are likely to be met. Where appropriate, risk and sensitivity analyses should be used to judge the potential financial impact of changes in inputs or outputs, either in quantity, quality, timing, or in their terms and conditions of use.

42. For nonrevenue-earning projects (e.g., highways, education, health), forecasts may be limited to annual expenditures during implementation and the first two years of full operation in order to demonstrate the annual investment commitments required by the borrower, the recurrent financial costs of operation and maintenance and any incremental tax receipts resulting from the project. Since nonrevenue-earning projects are often implemented by governmental units, appraisal should focus on the reasonableness of the projections, on the government's capability to provide timely and adequate funds to meet its commitments, and on the project's replicability. To judge the government's ability to provide timely and adequate funds to meet the project's investment and recurrent cost requirements, the efficacy of the government's budgetary and cash allocation systems as they apply to the agency should be reviewed.

43. In many projects, an important aspect of the financial appraisal is the evaluation of the impact on the final beneficiaries and incentives for their participation in project implementation and operation. An examination should be made of the ability of final beneficiaries to pay for goods and services, of the possible need for subsidized pricing of basic needs for poverty groups, and the possibility of generating surpluses to augment government revenues.¹ The subsidy questions apply particularly to projects involving water supply and sanitation, rural electrification, urban shelter and slum upgrading, and irrigation water supplies. In some projects (e.g., telecommunication), on the other hand, there may be scope for capturing the surpluses for investment requirements in the rest of the economy. In many agricultural projects, typical farm budgets are prepared to analyze the farmers' incentive to participate and their capacity to meet the debt service

burden of farm credit. Similarly, examination of household budgets and income profiles is necessary to analyze the capacity to pay of users of utility services and shelter beneficiaries and to assess the potential for project replicability.

44. In light of the financial projections, financial analyses and performance measurements, and in order to protect both the borrower and the Bank's accountability and financial standing, appraisal requires an assessment of whether the financial objectives of the project and the enterprise can be achieved. In many cases, this requires agreement with the borrower on both the financial objectives and the actions necessary to achieve them. Such agreements generally take three forms: (a) agreeing with the borrower on appropriate financial performance covenants;² (b) making the loan conditional on actions such as take-or-pay contracts, subordination of shareholders' interests, advance equity contributions, guarantees or other security arrangements;³ and (c) agreeing on specific performance indicators, e.g., labor/output ratios, control of unit costs, inventory controls, collection of receivables, or specified amounts to be budgeted for adequate maintenance expenditures.

45. The appraisal of the supporting systems for financial management, including accounting, budgeting, management information systems, financial reporting and auditing, is carried out in accordance with the principles described under Institutional Aspects (paras. 26-36).

E. Commercial Aspects

46. The commercial aspects of a project deal with the arrangements for (a) buying the inputs and services needed for project implementation and, later on, for its continuing operation, and (b) for selling the outputs of the completed project.

47. During project implementation, the Bank is concerned with the economic and efficient procurement of works, goods and services, because inefficient procurement of Bank-financed goods results in higher costs and may delay benefits. (The procurement of services is discussed under Technical Assistance, para. 65.)

¹See OMS 2.25, "Cost Recovery Policies for Public Sector Projects: General Aspects"; OMS 3.72, "Energy, Water Supply and Sanitation and Telecommunications"; and OPN 2.10, "Irrigation Water Charges, Benefit Taxes and Cost Recovery."

²See OMS 2.22, "Financial Performance Covenants for Revenue-Earning Entities" (under preparation).

³See OMS 1.26, "Security Arrangements."

Operational Manual Statement

The World Bank

48. Appraisal of a project's procurement aspects requires both country and project-specific information. Country-specific procurement information includes the local regulations, policies and procedures governing procurement, the organizational responsibilities for carrying out procurement, the local availability of goods and services and the capabilities of local manufacturing and construction industries. Project-specific information includes the lists of works, goods and services required; the estimated size, number and types of contracts to be awarded; the timetable for procurement; and the methods of procurement to be employed.¹

49. In most circumstances, international competitive bidding (ICB) best meets the project's needs for economy and efficiency and the Bank's interest in providing opportunities for firms in all eligible countries to compete, including local manufacturers and contractors. However, other procurement methods are suitable in some circumstances, and it is the appraisal team's responsibility to recommend the most appropriate methods and to provide the justification for these choices.²

50. Procurement in projects which involve lending to intermediaries such as Development Finance Companies usually follows normal commercial practices and local procedures. However, international competitive bidding may still be advantageous for procurement contracts above a threshold value, which depends on the particular circumstances.

51. Sometimes more rapid and efficient execution of a project may be facilitated by advance contracting, i.e., by the borrower signing procurement contracts before the expected Bank loan is approved and signed. Retroactive financing refers to Bank reimbursements for payments made under such contracts before the loan agreement is signed. The procurement plan for a project should include any proposals for advance contracting and retroactive financing and the Executive Directors should be notified of such proposals in the Monthly Operational Summary.³

52. Projects involving cofinancing may have restrictions on the use of funds provided by other lenders, such as procurement tied to a specific country. In such projects,

particular care must be taken during appraisal to take these into account, to ensure that the overall procurement plan remains efficient, and that contracts financed by the Bank are based on procurement consistent with the Bank guidelines for procurement.⁴

53. The development of project entities which can compete effectively is a key element in the development process, especially in certain sectors. Appraisal requires, therefore, a determination, in relevant sectors, that the project is commercially viable, i.e., that its output can be sold at prices that cover costs, including an adequate return on capital. In the case of an agricultural or industrial project, for example, it would require a finding that the additional output can be sold profitably at estimated market prices. In this connection, a comparison of the project's capital and operating costs to those of similar or competing projects in both developed and developing countries helps to ensure that the project is competitive. For a railway or electric power project, it would have to be determined that there is a market for the services at tariff levels which cover costs. Appraisal requires, therefore, a review of the availability and the arrangements for purchasing the various factors of production and of their future prices; of the demand for the output, the marketing arrangements and the probable prices to be obtained; and of the comparison of costs and revenues to determine the commercial viability to the entity, which could be either an individual farmer, a private entrepreneur, or a private or public enterprise, depending on the nature of the project (see also para. 39).

54. Depending on the nature of the project, marketing arrangements necessary to ensure the project's efficient operation may include (a) the transport, processing, storage and trading of the project output; (b) the market information system concerning supplies, demand and prices so that buyers and sellers can make intelligent decisions; (c) the availability of credit to finance the sales and purchases during the marketing process; and (d) legislation involving, for example, quality standards, proper weights and measures, trade regulations and restrictions on movements of freight. Marketing arrangements are particularly important for export-oriented projects.

¹See OPN 4.02, "Procurement: Checklist for Appraisal."

²See *Guidelines for Procurement Under World Bank Loans and IDA Credits* and OMS 2.40, "Procurement."

³See OMS 2.41, "Advance Contracting and Retroactive Financing."

⁴Detailed instructions on Procurement in Cofinanced Projects are under preparation.

Operational Manual Statement

The World Bank

F. Sociological Aspects

55. The sociological aspects of projects comprise the explicit consideration of the social organization, tradition and values bearing upon the feasibility, implementation and operation of projects; and the pursuit of objectives such as poverty alleviation (see para. 15). These aspects are particularly important for projects designed to assist specific beneficiaries and/or projects whose success depends upon participation by the beneficiaries (e.g., rural development, urban, education, population, and health projects). They may be less important for projects involving primarily infrastructure and for some projects they have relatively little significance.

56. Appraisal of the sociological aspects should focus on the extent to which projects adequately take into account four main factors: (a) the socio-cultural and demographic characteristics of local beneficiaries; (b) the social organization of productive activities of the population in the project area; (c) the cultural acceptability of the project and its compatibility with the behavior and perceived needs of the intended beneficiaries; and (d) the social strategy for project implementation and operation needed to elicit and sustain beneficiaries' participation. Each of these is described in greater detail below.

57. The appraisal should verify that project design has taken into account socio-cultural and demographic characteristics, i.e., the size and social structure of the population in the project area, its density and stratification patterns, including ethnic, tribal and class composition. This is particularly important for project components affecting specific target groups (e.g., ethnic minorities, resettled populations, women). It requires an understanding of the receptivity of the existing patterns of population settlement and community organization to the proposed arrangements for supplying inputs, collecting outputs, facilitating access to education, health or other social services, and for ensuring the desired distribution of project benefits.

58. Appraisal should also verify that project design is based on a sound understanding of the social organization of productive activities: (a) how the intended beneficiaries have access to, make use of, and exercise control over productive resources available in the area; (b) how the structure of the household and of the family systems prevalent in the area affects the development potential and

constraints, labor availability and ownership patterns; (c) whether small producers have reasonable access to, and information on wider markets and regional economies; and (d) how land tenure systems and usage rights, as well as alternative employment opportunities, may affect intended beneficiaries' interest in the proposed project activities.

59. Projects involving local groups must be culturally acceptable, i.e., understandable, agreed to, and capable of being operated and maintained by them. For instance, projects for joining herders and cultivators in combined rangeland and farmland management schemes may not be workable if they are contrary to the social relationship prevailing between the two groups. Similarly, the health benefits of improved water supply or waste disposal systems may not materialize unless the intended beneficiaries appreciate the linkages. A judgment on the project's cultural acceptability and of the beneficiaries' capacity and willingness to contribute to its success must therefore take into account their values, customs, beliefs and felt needs.

60. Effective project implementation and operation often require a social strategy for eliciting the full commitment to the project of the beneficiaries and their institutions. In such cases, appraisal should verify that they were involved in project identification and preparation and that they will continue such participation in project implementation, maintenance, operation, monitoring and evaluation. If necessary, the project should be specifically designed to help organize beneficiaries to carry out these functions.

61. If appraisal determines that the project is likely to be highly risky in social terms, but inadequate information is available to support a firm conclusion, consideration should be given to either a pilot project or postponement of the project until sufficient information is available. If certain technical, administrative or other aspects of a project make it socially not feasible, they will have to be modified or eliminated. It may also be desirable to include in the project an information, motivation and education component to accelerate the necessary changes in social attitudes, behavior and organization. The appraisal should ensure that the implementation process contains a realistic time frame and mechanisms for the expected behavioral responses to occur, and that there is enough built-in flexibility for making design changes in response to socio-cultural information obtained during implementation.

Operational Manual Statement

===== The World Bank =====

62. Women are sometimes a particularly important group of project participants and beneficiaries. Appraisal should therefore examine whether the project design takes into account adequately (a) the local circumstances that impede or encourage the participation of women; (b) the contribution that women could make to achieving the project's objectives; (c) the changes which the project will introduce that might be disadvantageous to women; and (d) whether the implications for women are included in the provisions for monitoring the impact of the project.

63. Particularly sensitive social and cultural issues may appear in projects involving involuntary population resettlement or affecting tribal groups, for which special appraisal procedures are specified.¹

TECHNICAL ASSISTANCE

64. The effective transfer of financial resources by the Bank to its borrowers is often constrained by weak institutions and insufficient trained manpower to plan, implement and operate projects. The Bank is therefore prepared to finance technical assistance both to ensure that the project is designed, implemented and operated effectively and that, in the future, borrowers are able to carry out these functions increasingly with their own staff resources. Such technical assistance may be required for a wide range of services including feasibility studies, detailed engineering, training, construction supervision, and policy and institutional advice. An important part of the appraisal consists of determining the type and amount of technical assistance required and the administrative arrangements for its implementation.²

65. When technical assistance is required to implement or operate a project, it should be treated as an integral part of the project. Regardless of the source of its financing, its cost should be treated as part of total project costs. A first step is to determine the unavailability of timely financing from other sources.

66. Government commitment is particularly important for effective technical assistance, especially for other than engineering services. Equally important is the close

association of the beneficiary in each step of the process, from identification through implementation and follow-up. The appraisal should therefore verify the agreement of all concerned parties to the need for the technical assistance, the feasibility of its goals and their relationship with broader institutional development objectives, and the government's willingness to borrow for technical assistance.

67. The appraisal of technical assistance should cover the nature, scope, timing, duration and cost of the services required. This includes, in particular (a) the adequacy of the terms of reference regarding objectives, the tasks to be performed and their timing, and measures for monitoring progress; (b) the choice of the delivery system (team versus individuals, short versus long-term experts); (c) the capability and experience of likely sources of expertise (e.g., local or foreign consulting firms, UN agencies, non-governmental organizations, universities); (d) training requirements and alternative training methods (foreign or local fellowships, academic studies, supervised work, study tours); (e) expert and trainee selection criteria (including technical and other qualifications); (f) the suitability of the administrative and contractual arrangements; and (g) cost estimates. Thoroughly prepared terms of reference and job descriptions for at least the first phase of the implementation of technical assistance and training components should be available at an early stage and agreed prior to or by the time of loan negotiations. In addition, the borrower should be made familiar with the process and criteria for selection of consultants and the various stages for Bank review. In particular, borrowers should be advised of the paramount concern for quality of consultant's services and the need for prior agreement with the Bank if other criteria, including price, are to be considered when selecting consultants.³

68. Appraisal of the soundness of the administrative and implementation arrangements should include (a) the logistical arrangements; (b) the government's contribution (financial or in-kind) and the availability of local staff; (c) the coordination with other government agencies and other sources of technical assistance; (d) the arrangements for briefing, supervising and backstopping the experts; (e)

¹See OMS 2.33, "Social Issues Associated with Involuntary Resettlement in Bank-Financed Projects," and OMS 2.34, "Tribal People in Bank-Financed Projects."

²See OMS 4.00, "Financing of Technical Assistance and Engineering," and OPN 5.01, "Policy and Guidelines on Training in Bank/IDA Projects."

³See *Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency*.

Operational Manual Statement

The World Bank

the responsibilities and reporting relationships of the experts and the local staff: (f) possible external sources of administrative support to the government (including the Bank); and (g) the arrangements for review and follow up of the technical assistance results or recommendations. Especially regarding technical assistance for institutional development, appraisal should also consider whether the duration for the assistance is appropriate.

69. If the technical assistance component is not directly related to the project but is intended, for example, to prepare future projects or to strengthen general planning or monitoring and evaluation units in other sectors, consideration should be given to a separate technical assistance loan.¹ Relevant criteria include the degree of interdependence between the project and technical assistance components, the availability of grants for technical assistance from sources outside the Bank and the government's preference.

PROCEDURES

70. If the Bank has assisted in the identification and preparation of the project, or if it is a repeater project with an entity with which the Bank has had a longer-term relationship, the decision on whether or not the project is ready for appraisal is straightforward. In other cases, project documents accompanying requests from potential borrowers form the basis for the Bank's decision to appraise a project. Review of these documents may show that the information is sufficiently complete and well prepared to justify a field appraisal without asking the potential borrower for further data.

71. If, however, the available information is inadequate, the Bank should advise the borrower as to what further information is required and should consider whether to assist the borrower in further project preparation.² Depending on the nature of the missing information, the Bank either takes no further action until the additional information is received, or informs the borrower that the information should be prepared in time for the arrival of the appraisal mission.

72. If the information submitted shows that the proposed project is not of a type which the Bank would finance or that it is expected to have a low priority, the government should be so advised. If the government and the Bank have had adequate communication during project identification and preparation, this should happen only rarely. Sometimes it is clear that the Bank would not be willing to finance the project unless the potential borrower were prepared in principle to take certain policy decisions, e.g., to adopt tariff policies for a public utility to assure its financial soundness, or pricing policies for agricultural products to provide adequate farmer incentives. In such cases, project appraisal should not take place until the borrower is ready in principle to take the necessary policy decisions (see para. 3).

73. A visit to the country by a Bank mission is always a part of the appraisal process. Its function is to check the information submitted, to supplement it if necessary by further inquiries, to discuss various aspects of the project with the potential borrower and with those who have prepared it, to get to know the people responsible for implementing the project and concerned with its financing and operation and to inspect the proposed project site(s). If the Bank has been asked to help finance a project which is already in progress, a review of progress to date and the implementation arrangements already made should be included in the field examination. The mission should obtain all information required for appraisal, but may sometimes request the potential borrower to prepare further information.

74. The information obtained in the country and otherwise forms the basis for the preparation of a Staff Appraisal Report (SAR) and/or a President's Report. The SAR describes the project, analyzes its merits from several different points of view (see para. 9), and determines its suitability for Bank financing and, if so, on what conditions.³ The President's Report sets out the main features of the proposed loan and project in the perspective of the Bank's strategy for the country concerned so that the Executive Directors can consider and decide upon the

¹See OPN 5.02, "Use of Technical Assistance Loans to Generate Development Projects and to Strengthen Local Project Design Capabilities."

²See OMS 2.15, "Project Preparation Facility."

³See OMS 3.04, "Format and Content of Staff Appraisal Reports."

Operational Manual Statement

The World Bank

proposed loan.¹ The completion of the SAR may depend on the receipt of further information from the borrower. If there is a long delay, a further visit to the country may be necessary to update the SAR.

RESPONSIBILITY

75. Project appraisal is the responsibility of the Regional Projects Departments. For sectors for which responsibility has not been decentralized to the Regions

(Population, Health and Nutrition, Petroleum, Industry, Mining and Telecommunications), the relevant central Projects Departments are responsible for appraisal on behalf of the Regional Projects Departments. The Regional and central Projects Departments are responsible for assuring proper coordination with other interested Bank staff, including, for example, the Programs Departments, the Legal Department, the Office of the Controller, the Procurement Adviser, and the "lead adviser" in OPS/EIS.²

¹See OMS 3.02, "Format and Content of President's Report and Recommendations."

²Coordination throughout the appraisal process is discussed in detail in OMS 2.00, "Procedures for Processing Project Loans and Credits," especially Sections C, E, F and G. OPN 1.01 deals with the "OPS Role in the Project Cycle."

These policies were prepared for use by World Bank staff and are not necessarily a complete treatment of the subjects covered. It may be used only by personnel of the World Bank and IFC or others specifically authorized to use it. It may not be published, quoted or cited outside the World Bank and IFC.

Project Appraisal

OPERATIONAL MANUAL STATEMENT PROJECT APPRAISAL

INTRODUCTION

1. The purpose of this OMS is to present an overview of (a) the general objectives of project appraisal (paras. 2-7); (b) the major aspects of project appraisal (paras. 8-69); (c) the procedures to be followed (paras. 70-74); and (d) the responsibility of the Departments involved (para. 75). Greater detail is provided in other OMSs and in OPNs, to which references are made herein.¹ and OPN 10.03, "Highway Sector Lending." In addition to financing projects, the Bank also supports broader programs of policy reform and institutional change, usually directed at structural adjustment, by financing a general list of imports unrelated to a particular project; however, the OMS does not deal with such structural adjustment loans or program loans. The OMS also does not deal with the presentational aspects.²

GENERAL OBJECTIVES

2. The Bank,³ under its Articles of Agreement, is required to lend its funds, except in special circumstances, for specific "projects." The Articles do not define what is meant by a "project." Over the years, however, a project has come to mean a set of interrelated expenditures designed to achieve, within a specific period, specific objectives of (a) increasing, rehabilitating, maintaining better or using more fully productive capacities or economic and social infrastructure; (b) strengthening local institutions concerned with preparing, implementing or operating such programs through technical assistance and training; or (c) providing services related to such expenditures (such as for design, engineering, supervision of construction or other assistance in implementation). Bank loans for projects are normally associated with specific, time-phased actions on policy and institutional issues (e.g., pricing, subsidies, cost recovery, financial management, organizational arrangements) relating to the project or the sector

concerned.

3. Because the Bank can finance only a small part of the investment program of any country, each project in which the Bank participates should preferably include elements that give it special significance and have catalytic or demonstration qualities that make the project as a whole more important than the financial contribution itself. These elements could be key government policy decisions, the introduction of institutional or legal changes, demonstration of new technologies or institutional approaches, or improved methods of project implementation.⁴

4. Each project and its component elements must be as precisely defined as practicable. Such precision is necessary for several reasons: (a) to provide the basis for the decision on whether or not to go ahead with the project; (b) to assure consistency of components with one another and with project objectives; (c) to help realize the catalytic or demonstration effects sought as part of the project; (d) to help achieve the understandings and prepare the detailed planning on which implementation and supervision should be based; and (e) to facilitate evaluation when the project is completed. Experience suggests that special emphasis should be put on planning for implementation, including a program for ensuring that all resources and actions required for implementation will materialize at the appropriate time. However, since projects cover a number of years during which new lessons are being learned and unforeseeable events are inevitable, the project concept must be sufficiently flexible to permit needed modifications as implementation proceeds. Flexibility is particularly important for projects in which the implementation process cannot be determined in advance with great precision (e.g., rural development and family planning projects).

5. Project appraisal is a stage in the project cycle which follows completion of project preparation.⁵ Project appraisal is the final process by which the Bank determines the suitability of a project for Bank financing. It provides a comprehensive review of all aspects of the project, lays the foundation for its implementation after it has been approved for Bank financing, and for evaluation when completed.

6. The Bank appraises projects for two main reasons. As a development institution, the Bank is concerned that the resources it lends should make a significant impact on the economic and social development of its borrowers. And as a borrowing institution, the Bank is concerned to maintain its credit standing in the financial markets of the world, which depends partly on its reputation for financing sound projects.

7. The aim of appraisal is to examine and evaluate the economic and social objectives which a project is designed to meet, to assess whether the proposed project is likely to meet these objectives efficiently, and to recommend conditions that should be met to ensure that the purposes of the project will be achieved. Appraisal covers both the project and the entity or entities which will implement and operate it.⁶

MAJOR ASPECTS OF PROJECT APPRAISAL

8. The Bank's approach to project appraisal reflects its character as a development institution. Unlike creditors, promoters or suppliers of equipment, who are primarily concerned with the net revenues of an entity and its ability to pay back any advances or earn a reasonable profit, the Bank also looks at each project in the framework of the whole economy and of the sector of which the project would form a part. Thus, appraisal assesses how effectively the project would contribute to the achievement of the country's development objectives.

9. In practice, the Bank's project appraisal includes the investigation of six different aspects of projects: (a) economic, e.g., project costs and the size and distribution of benefits (paras. 10-17); (b) technical, e.g., engineering design and environmental matters (paras. 18-25); (c) institutional, e.g., management and organization (paras. 26-36); (d) financial, e.g., requirements for funds and the financial situation of the implementing agency and of other beneficiaries affected by the project (paras. 37-45); (e) commercial, e.g., procurement and marketing arrangements (paras. 46-54); and (f) sociological aspects, e.g., socio-cultural factors and impact on specific target groups such as women (paras. 55-69). The six aspects are described in greater detail below. While the various aspects are interrelated, their relative importance differs, depending on the nature of the project. In order to cover these aspects, project appraisal requires the collaboration of professional staff of several disciplines, e.g., economists, financial analysts, technical specialists (i.e., engineers, agriculturists, educationists, environmental specialists, regional planners, etc.), lawyers, sociologists and experts in management and public administration. Because many Bank projects also provide for technical assistance, a separate section outlines the requirements for appraising such assistance. Since the Bank appraises a wide variety of projects, this OMS makes no attempt to indicate every question that may have to be investigated, but mentions only the more common types.

A. Economic Aspects

10. As a development institution, the Bank expects that the projects it finances will make a positive contribution to the developmental objectives of the borrowing countries and that there are no alternative means of obtaining the same benefits at a lower cost to the economy (see also para. 22). A central objective of the Bank's economic appraisal is, therefore, to ascertain whether the proposed project represents an appropriate use of the country's resources, taking into consideration the objectives and constraints facing the economy; whether the project returns could be improved through changes in parameters such as the project scale, technology, timing, location, composition and the method of implementation; and whether the project includes adequate incentives for the various participants.

11. Given the fungibility of resources and that Bank assistance constitutes only a small fraction of the total investment budgets in the borrowing countries, the objectives of Bank appraisal generally extend beyond the questions of "viability" and "optimality" of a specific investment. In particular, Bank-supported projects should be part of a sound sectoral development program, including an appropriate set of sectoral policies. An integral objective of appraisal is to ensure that individual projects contribute to these sectoral policies.

12. Normally, the broader sectoral issues related to sectoral objectives and policies would be

analyzed as part of the country economic and sector work well before the Bank undertakes to appraise a particular project.⁷ The task during appraisal is then to ensure that the project adequately reflects the recommended sectoral strategy. Occasionally, however, at appraisal the Bank may not have an adequate understanding of the sectoral issues and policies. Such cases require both a more thorough analysis of the key sectoral policies during appraisal and the development of a well defined program of studies needed to improve sectoral understanding for future operations; if necessary, such studies could be included in the project.

13. Economic appraisal requires identification, quantification and valuation of the costs and benefits likely to be associated with a project.⁸ These tasks frequently involve major conceptual and practical problems because, for example:

- the relationship between project inputs and outputs may be difficult to quantify, e.g., the impact of soil conservation measures on crop yields;
- some project outputs may not be marketed and their valuation is difficult, e.g., education, health, extension services, time savings;
- due to distortions caused by government policies, externalities and/or non-competitive behavior of producers/consumers, market prices may not be a good measure of costs and benefits to an economy; and
- there may be a lack of consensus within the country about the appropriate trade-offs between the country's various objectives, e.g., trade-offs between efficiency, equity, regional balances.

Also since economic appraisal necessarily involves long-range forecasts of the country's future objectives and constraints as well as of prices of key inputs and outputs, there is inherently a large element of uncertainty in the judgments made.

14. The extent to which the above problems complicate project appraisal varies a great deal among different sectors, so that the specific form of analysis for a project must be tailored to the "state of the art" in the respective sector. In agriculture and industry, for example, where outputs can generally be valued by reference to world market prices, fairly comprehensive quantification of costs and benefits is possible and the results are usually expressed in terms of the net present values (NPVs) and/or the economic rates of return. On the other hand, in many public utility projects, prices are set by governments and the benefits to consumers may significantly exceed the regulated prices charged to them. However, as the current state of the art does not permit a reliable quantification of these benefits (particularly of consumer surplus), the anticipated project revenues are often used as a proxy for the minimum economic benefits and the analysis focuses on whether the demand projections and tariffs are reasonable and whether the project is the "least-cost" alternative. Again, for most highway projects, even tariff-based revenues may not be available as measures of economic benefits, and "avoided costs" such as expected reduction in vehicle operating costs and/or in road maintenance costs, need to be used as proxies. Finally, for projects such as those in education, health, nutrition, population planning and sanitation, no

meaningful prices exist so that the economic analysis focuses on providing, in the most cost-effective manner, service levels determined on macro considerations.

15. Where reduction of income disparities and poverty alleviation⁹ are important objectives, the economic appraisal should include an assessment of the project's contribution to these objectives. While in many cases a broad qualitative assessment is adequate, in some cases more detailed quantitative analysis may be necessary, e.g., for projects with marginal economic returns but possibly high income distribution benefits. A quantitative assessment requires allocation of costs and benefits according to the income status of the affected population. In practice, it may be difficult to determine poverty "target" income levels of beneficiaries and to allocate costs and benefits, particularly where project outputs are intermediate goods and services. Even where they can be allocated, there may be a lack of consensus on the weights which should be given to costs and benefits at different income levels.

16. The economic analysis of a project incorporates foreign exchange and employment effects through the shadow pricing of non-traded inputs and outputs. In some projects it may, however, be of interest to describe these effects separately. For this purpose, it is usually sufficient to follow the common practice of including only the easily identifiable direct foreign exchange and employment effects. However, such effects should not be represented as separate from, or additional to, the effects considered in the economic analysis.¹⁰

17. Irrespective of the specific form of analysis adopted for a project, the appraisal normally includes assessing the sensitivity of the project viability to changes in the key parameters of the project, together with a judgment on the likely variation from the basic assumptions. For projects with marginal returns or large risks, further quantification of the risks through formal risk analysis is also desirable. Where necessary, the appraisal also includes recommendations regarding precautionary measures which should be undertaken to reduce the risks (see also paras. 23, 41 and 61).¹¹

B. Technical Aspects

18. The Bank requires a project to be based on sound design, engineering and agricultural, educational or other technical principles, appropriate to the circumstances of the project, the enterprise and the country in question. The Bank normally lends for projects that are based on technologies and approaches that have been proven successful on a significant prototype scale. However, the Bank is also receptive to innovative projects provided the potential benefits are commensurate with the risks. Promising but relatively untested technologies and approaches also can be supported either through free-standing pilot or demonstration projects or as components of a larger project in a related field. It is the responsibility of the appraisal staff to render a judgment on the merits of the technical proposals, on the adequacy of the cost estimates, and on the competence of the borrower's technical staff and its consultants, if any, to design and execute the project, and to ensure its proper operation and maintenance. The appraisal report should

summarize the facts and procedures which provide the basis for such a judgment.

19. Among the technical factors to be investigated are the proposed magnitude of the project; the types of processes, materials, equipment, and technical packages to be used; the project location; its timing and phasing; the suitability of the plans, layout and design; the availability of the various factors of production, both physical and human; the availability of necessary infrastructure; the proposed methods of implementing, operating and maintaining the project; the contracting procedures and arrangements for procurement of goods, works and services; and the realism of the implementation schedules, phasing of the benefits and the level of benefits at full development.12

20. A vital part of the technical appraisal is to review the estimates of investment and operating costs of the project, and to ascertain whether sufficient allowance has been included for physical contingencies, for changes in the general level of costs during the implementation period, for working capital, etc.; whether the timing of the estimates corresponds with the implementation program; whether they are properly broken down to identify the costs of the project's main physical elements and to show what proportion of the total cost is likely to be local and what foreign. As a general rule, project preparation should be sufficiently advanced at the time of Board presentation that procurement and other important phases of project implementation can start shortly after loan approval, and reliable cost estimates should reduce the need for physical contingencies to a minimum.13 Appraisal should be based at least on good feasibility studies and preliminary designs, but additional studies, designs and cost estimates may be required during the period between appraisal and Board presentation (see paras. 70-71).

21. The difficult question arises as to the depth of Bank reviews of the project's technical aspects. Clearly the Bank cannot be expected to redo the work of the borrower's technical staff and consultants who have done the detailed work. The appraisal is not responsible for design or engineering of proposed projects—nor should this impression be given to the borrower or to consultants. Nevertheless, Bank staff must question and spot-check sufficiently to judge the project's technical soundness. Where possible errors or weaknesses are identified, the staff should not hesitate to ask for further explanation. If these inquiries lead to doubts on any significant aspect, additional work should be requested of the government agency. If staff are hesitant to make a judgment on important areas due to lack of knowledge and experience, they should seek the advice of colleagues specialized in these areas, and, if necessary, recommend that the Bank retain consultants.

22. Where the mission reviews the proposed design with the borrower's staff and consultants, it should review the degree of detail of the proposed design and the alternative studies. It should be satisfied that no worthwhile alternatives have been overlooked, and that the final solution is the optimum from a technical and economic point of view. Where differences in estimated costs of alternatives are small and can be accurately determined only on the basis of actual bids, the desirability of asking or allowing contractors to submit bids for alternative designs should be considered.

23. The Bank requires borrowers to provide adequate insurance for goods and works financed

under a project to permit their replacement or repair in the event of loss or damage. For large and complex projects, consideration should be given to having a comprehensive risk analysis made by specialists in this field to determine whether risks could be reduced by design changes, and what types and amounts of insurance are most appropriate.14

24. The project's possible effects on the country's environment and on the health and well-being of its people must be considered at an early stage. The project should adapt the standards of protection to the circumstances of the project and country, and incorporate those environmental measures that are considered essential and appropriate. Should international agreements exist that are applicable to the project and area, such as those involving the use of international waters, the Bank should be satisfied that the project plan is consistent with the terms of the agreements.15 In countries where the laws, rules or regulations governing environmental matters may be inadequate, the staff should consider the merits of encouraging appropriate legislation, if necessary, to mitigate serious adverse environmental consequences of a project.16

25. During project preparation and appraisal Bank staff should judge the competence, experience and commitment of those handling the project. Assessment of these aspects and reporting on them are an important, but sensitive, task. Even though the reputation of the borrower's technical staff and consultants may be good, Bank experience suggests that a thorough review of all technical aspects, including spot-checking details, should be a normal procedure.

C. Institutional Aspects

26. Institutional aspects of Bank-financed projects comprise (a) the organizational, managerial, administrative and legal requirements for implementation and operation,17 and (b) the longer-term institutional development objectives. The latter objectives could either address a broad range of institutional issues of an agency or group of agencies, or issues related to sectoral or subsectoral organizational structures, or be limited to certain aspects of the agency's operations.

27. Institutional objectives generally aim at strengthening the capacity of an agency (or agencies) with regard to: (a) management methods and techniques, including monitoring and evaluation; (b) organizational arrangements; (c) planning; (d) staffing and training; (e) financial management systems and performance (financial planning, accounting and auditing); (f) operation and maintenance systems; (g) interagency coordination; and (h) sectoral policies.

28. The appraisal should indicate clearly the project's institutional development objectives, whether they will be focused primarily on project management and implementation, or whether longer-term institutional improvements are included. These longer-term objectives should be so specified that they can serve as yardsticks in assessing the Bank's role in follow-up loans to the same borrower and for determining clearly when the institution is reasonably self-sufficient.

29. Institutional and managerial aspects are an integral part of project design, because technical,

economic, financial, commercial and institutional aspects are interrelated. Project design cannot merely assume the availability of institutional resources which might, in fact, not be available, nor should it place an undue burden on the existing agencies.¹⁸ The appraisal should, therefore, evaluate how institutional aspects were taken into account in the project design, the alternatives considered, and the reasons for the final proposed design.

30. Institutional development components of a project are generally one phase of a longer term effort between the borrower and the Bank. Institutional development objectives are, therefore, usually pursued through a series of projects and their achievement may require long periods of time, frequently more than a decade. Thus, the identification and preparation of institutional development components need to be undertaken as part of this long-term effort, usually during the implementation of a previous project or in the context of sector work.

31. Borrower commitment is particularly important for these components, not only because of their long-term nature, but also because their success may depend heavily on actions by a large number of local officials. Commitment should be assured not only from the agencies involved, but also from other key agencies, such as planning or finance.

32. Institutional development components of projects should be treated with the same care and attention as the investment components, and their appraisal includes five major topics. First, is the general situation bearing upon the choice of project management arrangements and institutional development objectives, including country and sector institutional background and objectives, and the relationship of these to Bank lending programs and institutional strategy. This requires a review of the implementing agencies, the sector organization, broader institutional conditions (civil service or other employment regulations, budgeting and procurement procedures) which affect the sector, and regional, provincial and local level organizations, if pertinent. Social, historical, legal and other country-specific features that influence institutional performance may also require consideration.

33. Second, are project management and organizational arrangements, indicating (a) the responsibilities, authority and accountability of the implementing agency; (b) the role of other entities involved and the provisions for adequate cooperation; and (c) the workload, staffing levels and other resources required and the adequacy of incentives to assure their efficient utilization.

34. Third, are institutional development objectives, including (a) the alternatives considered; (b) measures and actions required by the government or borrower and the Bank to ensure effective implementation, as well as their timing.

35. Fourth, is the detailed specification of the implementation schedule. However, since it is not possible to have a rigid blueprint for achieving institutional objectives, sufficient flexibility should be allowed during implementation to adapt implementation methods to new circumstances.

36. Fifth, are the requirements for monitoring and evaluation of the institutional aspects and the

identification of any special requirements to ensure adequate Bank supervision.

D. Financial Aspects¹⁹

37. The purpose of the financial appraisal by the Bank is to ensure the financial viability of the project and sound financial management of the project agencies, thereby promoting sustainable development in the borrowing country and protecting the Bank's own accountability and financial standing. The nature and scope of the financial appraisal varies depending upon whether or not the project is revenue-earning and the extent to which the implementing agencies are financially autonomous. The country context also has an important bearing on the type of analysis undertaken and on the judgments reached. For example, the potential for financing a project by raising loan or equity capital domestically from non-governmental sources will depend on how developed the country's capital markets are. Similarly, judgments on the accounting and auditing standards to be used will depend, in part, on the quality and number of trained accountants.

38. The financial appraisal always includes a review of the reliability of the project's financing plan and of the adequacy of the accounting and auditing arrangements.²⁰ In addition, the financial appraisal may include consideration of some or all of the following: project profitability; the financial effect on the intended beneficiaries; the impact on the government budget; the financial management capability of the implementing agencies and the need for any technical assistance; the appropriateness of financial autonomy given to the project agencies and the need for any organizational changes; the adequacy of the proposed standards of financial performance to be achieved during project implementation and operation; and recommendations for loan covenants covering financial performance. For projects which constitute an exceptionally large part of a country's total investment program, appraisal might also include an analysis of the impact of the project on the country's debt service.

39. Whenever possible, for a revenue-earning project (e.g., one with marketable outputs, such as a utility, an industry, an agricultural estate, or a port), the expected financial rate of return on the project investment is estimated as a summary measure of the expected profitability.²¹ An analysis is also made of the amounts, terms and conditions of capital funds required for project implementation and of the adequacy of revenues resulting from the project to cover the project's operating and maintenance costs, provisions for depreciation, and debt service requirements. For these purposes, a review is made of the annual financial projections for the project including: (a) project income statements showing revenues and other income and costs of operation, maintenance, depreciation and interest on borrowed funds; and (b) project funds statements showing investment, working capital, and debt service requirements, and sources of financing including internally generated funds from operations and externally provided loan and equity capital. In this connection, appraisal should examine the possibilities for cofinancing from commercial, bilateral or international sources. In some cases (e.g., the project is part of a large investment package rather than a self-contained investment), a separate analysis of project expenditures and revenues may not be meaningful and the appraisal should, therefore, focus on the soundness of the implementing agency's overall operations (para. 40).

40. For projects implemented by autonomous or semi-autonomous entities, a comprehensive analysis of the entity's historical and forecast financial performance is also made to cover all activities, including its existing operations, the project and any other planned investments. Annual financial statements detailing these activities include income statements, statements of sources and applications of funds, and balance sheets. Projections are usually made for the implementation period of the project and its operation period through the first fiscal year after full profitability or full development of the project is achieved. Based on the financial forecasts, summary measures of creditworthiness and expected profitability, such as debt service coverage, operating ratio and returns on invested capital or equity are estimated. When a revenue-earning entity has more than one significant business activity (e.g., a water supply company also providing sewerage service or an industrial enterprise with manufacturing facilities at different locations), each major functional activity of the responsible agency is reviewed separately to ensure that the overall profitability targets for the entity do not conceal inefficiencies in individual operations. When the project is a minor part of the implementing agency's overall operations and is therefore unlikely to have a significant impact on its overall financial situation, it may not be practical to expect comprehensive financial forecasts for the entity: in such cases, an analysis based on historical financial statements is usually adequate, accompanied by separate accounts and forecasts for the project and the operations associated with it.

41. A key element of the Bank's financial appraisal is to assess: (a) the reasonableness of the financial forecasts; (b) the appropriateness of pricing policies/tariff levels; and (c) the possibilities for reducing costs and improving performance in such respects as labor/output ratios, billing and collections, inventory management and maintenance practices. Judgments are also made on whether the entity is likely to have sufficient working capital; whether debt service (interest plus amortization) is likely to be covered adequately; and whether other commitments (such as the financing of non-project investments) are likely to be met. Where appropriate, risk and sensitivity analyses should be used to judge the potential financial impact of changes in inputs or outputs, either in quantity, quality, timing, or in their terms and conditions of use.

42. For nonrevenue-earning projects (e.g., highways, education, health), forecasts may be limited to annual expenditures during implementation and the first two years of full operation in order to demonstrate the annual investment commitments required by the borrower, the recurrent financial costs of operation and maintenance and any incremental tax receipts resulting from the project. Since nonrevenue-earning projects are often implemented by governmental units, appraisal should focus on the reasonableness of the projections, on the government's capability to provide timely and adequate funds to meet its commitments, and on the project's replicability. To judge the government's ability to provide timely and adequate funds to meet the project's investment and recurrent cost requirements, the efficacy of the government's budgetary and cash allocation systems as they apply to the agency should be reviewed.

43. In many projects, an important aspect of the financial appraisal is the evaluation of the impact on the final beneficiaries and incentives for their participation in project implementation and operation. An examination should be made of the ability of final beneficiaries to pay for goods and services, of the possible need for subsidized pricing of basic needs for poverty groups, and the possibility of generating surpluses to augment government revenues.²² The subsidy

questions apply particularly to projects involving water supply and sanitation, rural electrification, urban shelter and slum upgrading, and irrigation water supplies. In some projects (e.g., telecommunication), on the other hand, there may be scope for capturing the surpluses for investment requirements in the rest of the economy. In many agricultural projects, typical farm budgets are prepared to analyze the farmers' incentive to participate and their capacity to meet the debt service burden of farm credit. Similarly, examination of household budgets and income profiles is necessary to analyze the capacity to pay of users of utility services and shelter beneficiaries and to assess the potential for project replicability.

44. In light of the financial projections, financial analyses and performance measurements, and in order to protect both the borrower and the Bank's accountability and financial standing, appraisal requires an assessment of whether the financial objectives of the project and the enterprise can be achieved. In many cases, this requires agreement with the borrower on both the financial objectives and the actions necessary to achieve them. Such agreements generally take three forms: (a) agreeing with the borrower on appropriate financial performance covenants;²³ (b) making the loan conditional on actions such as take-or-pay contracts, subordination of shareholders' interests, advance equity contributions, guarantees or other security arrangements;²⁴ and (c) agreeing on specific performance indicators, e.g., labor/output ratios, control of unit costs, inventory controls, collection of receivables, or specified amounts to be budgeted for adequate maintenance expenditures.

45. The appraisal of the supporting systems for financial management, including accounting, budgeting, management information systems, financial reporting and auditing, is carried out in accordance with the principles described under Institutional Aspects (paras. 26-36).

E. Commercial Aspects

46. The commercial aspects of a project deal with the arrangements for (a) buying the inputs and services needed for project implementation and, later on, for its continuing operation, and (b) for selling the outputs of the completed project.

47. During project implementation, the Bank is concerned with the economic and efficient procurement of works, goods and services, because inefficient procurement of Bank-financed goods results in higher costs and may delay benefits. (The procurement of services is discussed under Technical Assistance, para. 65).

48. Appraisal of a project's procurement aspects requires both country and project-specific information. Country-specific procurement information includes the local regulations, policies and procedures governing procurement, the organizational responsibilities for carrying out procurement, the local availability of goods and services and the capabilities of local manufacturing and construction industries. Project-specific information includes the lists of works, goods and services required; the estimated size, number and types of contracts to be awarded; the timetable for procurement; and the methods of procurement to be employed.²⁵

49. In most circumstances, international competitive bidding (ICB) best meets the project's

needs for economy and efficiency and the Bank's interest in providing opportunities for firms in all eligible countries to compete, including local manufacturers and contractors. However, other procurement methods are suitable in some circumstances, and it is the appraisal team's responsibility to recommend the most appropriate methods and to provide the justification for these choices.26

50. Procurement in projects which involve lending to intermediaries such as Development Finance Companies usually follows normal commercial practices and local procedures. However, international competitive bidding may still be advantageous for procurement contracts above a threshold value, which depends on the particular circumstances.

51. Sometimes more rapid and efficient execution of a project may be facilitated by advance contracting, i.e., by the borrower signing procurement contracts before the expected Bank loan is approved and signed. Retroactive financing refers to Bank reimbursements for payments made under such contracts before the loan agreement is signed. The procurement plan for a project should include any proposals for advance contracting and retroactive financing and the Executive Directors should be notified of such proposals in the Monthly Operational Summary.27

52. Projects involving cofinancing may have restrictions on the use of funds provided by other lenders, such as procurement tied to a specific country. In such projects, particular care must be taken during appraisal to take these into account, to ensure that the overall procurement plan remains efficient, and that contracts financed by the Bank are based on procurement consistent with the Bank guidelines for procurement.28

53. The development of project entities which can compete effectively is a key element in the development process, especially in certain sectors. Appraisal requires, therefore, a determination, in relevant sectors, that the project is commercially viable, i.e., that its output can be sold at prices that cover costs, including an adequate return on capital. In the case of an agricultural or industrial project, for example, it would require a finding that the additional output can be sold profitably at estimated market prices. In this connection, a comparison of the project's capital and operating costs to those of similar or competing projects in both developed and developing countries helps to ensure that the project is competitive. For a railway or electric power project, it would have to be determined that there is a market for the services at tariff levels which cover costs. Appraisal requires, therefore a review of the availability and the arrangements for purchasing the various factors of production and of their future prices; of the demand for the output, the marketing arrangements and the probable prices to be obtained; and of the comparison of costs and revenues to determine the commercial viability to the entity, which could be either an individual farmer, a private entrepreneur, or a private or public enterprise, depending on the nature of the project (see also para. 39).

54. Depending on the nature of the project, marketing arrangements necessary to ensure the project's efficient operation may include (a) the transport, processing, storage and trading of the project output; (b) the market information system concerning supplies, demand and prices so that buyers and sellers can make intelligent decisions; (c) the availability of credit to finance the sales and purchases during the marketing process; and (d) legislation involving, for example, quality

standards, proper weights and measures, trade regulations and restrictions on movements of freight. Marketing arrangements are particularly important for export-oriented projects.

F. Sociological Aspects

55. The sociological aspects of projects comprise the explicit consideration of the social organization, tradition and values bearing upon the feasibility, implementation and operation of projects; and the pursuit of objectives such as poverty alleviation (see para. 15). These aspects are particularly important for projects designed to assist specific beneficiaries and/or projects whose success depends upon participation by the beneficiaries (e.g., rural development, urban, education, population, and health projects). They may be less important for projects involving primarily infrastructure and for some projects they have relatively little significance.

56. Appraisal of the sociological aspects should focus on the extent to which projects adequately take into account four main factors: (a) the socio-cultural and demographic characteristics of local beneficiaries; (b) the social organization of productive activities of the population in the project area; (c) the cultural acceptability of the project and its compatibility with the behavior and perceived needs of the intended beneficiaries; and (d) the social strategy for project implementation and operation needed to elicit and sustain beneficiaries' participation. Each of these is described in greater detail below.

57. The appraisal should verify that project design has taken into account socio-cultural and demographic characteristics, i.e., the size and social structure of the population in the project area, its density and stratification patterns, including ethnic, tribal and class composition. This is particularly important for project components affecting specific target groups (e.g., ethnic minorities, resettled populations, women). It requires an understanding of the receptivity of the existing patterns of population settlement and community organization to the proposed arrangements for supplying inputs, collecting outputs, facilitating access to education, health or other social services, and for ensuring the desired distribution of project benefits.

58. Appraisal should also verify that project design is based on a sound understanding of the social organization of productive activities: (a) how the intended beneficiaries have access to, make use of, and exercise control over productive resources available in the area; (b) how the structure of the household and of the family systems prevalent in the area affects the development potential and constraints, labor availability and ownership patterns; (c) whether small producers have reasonable access to, and information on wider markets and regional economies; and (d) how land tenure systems and usage rights, as well as alternative employment opportunities, may affect intended beneficiaries' interest in the proposed project activities.

59. Projects involving local groups must be culturally acceptable, i.e., understandable, agreed to, and capable of being operated and maintained by them. For instance, projects for joining herders and cultivators in combined rangeland and farmland management schemes may not be workable if they are contrary to the social relationship prevailing between the two groups. Similarly, the health benefits of improved water supply or waste disposal systems may not materialize unless the intended beneficiaries appreciate the linkages. A judgment on the project'

s cultural acceptability and of the beneficiaries' capacity and willingness to contribute to its success must therefore take into account their values, customs, beliefs and felt needs.

60. Effective project implementation and operation often require a social strategy for eliciting the full commitment to the project of the beneficiaries and their institutions. In such cases, appraisal should verify that they were involved in project identification and preparation and that they will continue such participation in project implementation, maintenance, operation, monitoring and evaluation. If necessary, the project should be specifically designed to help organize beneficiaries to carry out these functions.

61. If appraisal determines that the project is likely to be highly risky in social terms, but inadequate information is available to support a firm conclusion, consideration should be given to either a pilot project or postponement of the project until sufficient information is available. If certain technical, administrative or other aspects of a project make it socially not feasible, they will have to be modified or eliminated. It may also be desirable to include in the project an information, motivation and education component to accelerate the necessary changes in social attitudes, behavior and organization. The appraisal should ensure that the implementation process contains a realistic time frame and mechanisms for the expected behavioral responses to occur, and that there is enough built-in flexibility for making design changes in response to socio-cultural information obtained during implementation.

62. Women are sometimes a particularly important group of project participants and beneficiaries. Appraisal should therefore examine whether the project design takes into account adequately (a) the local circumstances that impede or encourage the participation of women; (b) the contribution that women could make to achieving the project's objectives; (c) the changes which the project will introduce that might be disadvantageous to women; and (d) whether the implications for women are included in the provisions for monitoring the impact of the project.

63. Particularly sensitive social and cultural issues may appear in projects involving involuntary population resettlement or affecting tribal groups, for which special appraisal procedures are specified.²⁹

TECHNICAL ASSISTANCE

64. The effective transfer of financial resources by the Bank to its borrowers is often constrained by weak institutions and insufficient trained manpower to plan, implement and operate projects. The Bank is therefore prepared to finance technical assistance both to ensure that the project is designed, implemented and operated effectively and that, in the future, borrowers are able to carry out these functions increasingly with their own staff resources. Such technical assistance may be required for a wide range of services including feasibility studies, detailed engineering, training, construction supervision, and policy and institutional advice. An important part of the appraisal consists of determining the type and amount of technical assistance required and the administrative arrangements for its implementation.³⁰

65. When technical assistance is required to implement or operate a project, it should be treated

as an integral part of the project. Regardless of the source of its financing, its cost should be treated as part of total project costs. A first step is to determine the unavailability of timely financing from other sources.

66. Government commitment is particularly important for effective technical assistance, especially for other than engineering services. Equally important is the close association of the beneficiary in each step of the process, from identification through implementation and follow-up. The appraisal should therefore verify the agreement of all concerned parties to the need for the technical assistance, the feasibility of its goals and their relationship with broader institutional development objectives, and the government's willingness to borrow for technical assistance.

67. The appraisal of technical assistance should cover the nature, scope, timing, duration and cost of the services required. This includes, in particular (a) the adequacy of the terms of reference regarding objectives, the tasks to be performed and their timing, and measures for monitoring progress; (b) the choice of the delivery system (team versus individuals, short versus long-term experts); (c) the capability and experience of likely sources of expertise (e.g., local or foreign consulting firms, UN agencies, non-governmental organizations, universities); (d) training requirements and alternative training methods (foreign or local fellowships, academic studies, supervised work, study tours); (e) expert and trainee selection criteria (including technical and other qualifications); (f) the suitability of the administrative and contractual arrangements; and (g) cost estimates. Thoroughly prepared terms of reference and job descriptions for at least the first phase of the implementation of technical assistance and training components should be available at an early stage and agreed prior to or by the time of loan negotiations. In addition, the borrower should be made familiar with the process and criteria for selection of consultants and the various stages for Bank review. In particular, borrowers should be advised of the paramount concern for quality of consultant's services and the need for prior agreement with the Bank if other criteria, including price, are to be considered when selecting consultants.³¹

68. Appraisal of the soundness of the administrative and implementation arrangements should include (a) the logistical arrangements; (b) the government's contribution (financial or in-kind) and the availability of local staff; (c) the coordination with other government agencies and other sources of technical assistance; (d) the arrangements for briefing, supervising and backstopping the experts; (e) the responsibilities and reporting relationships of the experts and the local staff; (f) possible external sources of administrative support to the government (including the Bank); and (g) the arrangements for review and follow up of the technical assistance results or recommendations. Especially regarding technical assistance for institutional development, appraisal should also consider whether the duration for the assistance is appropriate.

69. If the technical assistance component is not directly related to the project but is intended, for example, to prepare future projects or to strengthen general planning or monitoring and evaluation units in other sectors, consideration should be given to a separate technical assistance loan.³² Relevant criteria include the degree of interdependence between the project and technical assistance components, the availability of grants for technical assistance from sources

outside the Bank and the government's preference.

PROCEDURES

70. If the Bank has assisted in the identification and preparation of the project, or if it is a repeater project with an entity with which the Bank has had a longer-term relationship, the decision on whether or not the project is ready for appraisal is straightforward. In other cases, project documents accompanying requests from potential borrowers form the basis for the Bank's decision to appraise a project. Review of these documents may show that the information is sufficiently complete and well prepared to justify a field appraisal without asking the potential borrower for further data.
71. If, however, the available information is inadequate, the Bank should advise the borrower as to what further information is required and should consider whether to assist the borrower in further project preparation.³³ Depending on the nature of the missing information, the Bank either takes no further action until the additional information is received, or informs the borrower that the information should be prepared in time for the arrival of the appraisal mission.
72. If the information submitted shows that the proposed project is not of a type which the Bank would finance or that it is expected to have a low priority, the government should be so advised. If the government and the Bank have had adequate communication during project identification and preparation, this should happen only rarely. Sometimes it is clear that the Bank would not be willing to finance the project unless the potential borrower were prepared in principle to take certain policy decisions, e.g., to adopt tariff policies for a public utility to assure its financial soundness, or pricing policies for agricultural products to provide adequate farmer incentives. In such cases, project appraisal should not take place until the borrower is ready in principle to take the necessary policy decisions (see para. 3).
73. A visit to the country by a Bank mission is always a part of the appraisal process. Its function is to check the information submitted, to supplement it if necessary by further inquiries, to discuss various aspects of the project with the potential borrower and with those who have prepared it, to get to know the people responsible for implementing the project and concerned with its financing and operation and to inspect the proposed project site(s). If the Bank has been asked to help finance a project which is already in progress, a review of progress to date and the implementation arrangements already made should be included in the field examination. The mission should obtain all information required for appraisal, but may sometimes request the potential borrower to prepare further information.
74. The information obtained in the country and otherwise forms the basis for the preparation of a Staff Appraisal Report (SAR) and/or a President's Report. The SAR describes the project, analyzes its merits from several different points of view (see para. 9), and determines its suitability for Bank financing and, if so, on what conditions.³⁴ The President's Report sets out the main features of the proposed loan and project in the perspective of the Bank's strategy for the country concerned so that the Executive Directors can consider and decide upon the proposed loan.³⁵ The completion of the SAR may depend on the receipt of further information from the

borrower. If there is a long delay, a further visit to the country may be necessary to update the SAR.

RESPONSIBILITY

75. Project appraisal is the responsibility of the Regional Projects Departments. For sectors for which responsibility has not been decentralized to the Regions (Population, Health and Nutrition, Petroleum, Industry, Mining and Telecommunications), the relevant central Projects Departments are responsible for appraisal on behalf of the Regional Projects Departments. The Regional and central Projects Departments are responsible for assuring proper coordination with other interested Bank staff, including, for example, the Programs Departments, the Legal Department, the Office of the Controller, the Procurement Adviser, and the "lead adviser" in OPS/IES.³⁶

1. For special guidance on Sector loans, see Annex A of OMS 1.19, "Sector Lending," and OPN 10.03, "Highway Sector Lending."
2. See OMS 3.04, "Format and Content of Staff Appraisal Reports."
3. References to the Bank (and loans) also apply to IDA (and credits).
4. See OMS 1.19, "World Bank Goals in Project and Non-Project Lending."
5. See OMS 2.00, Annex 1, "List of References to Vario Stages of the Project Cycle." See paras. 70-74 below for the relation between project preparation and appraisal.
6. The word entity or agency in this OMS covers government agencies, as well as autonomous enterprises in the private or public sector.
7. See OMS 1.11, "Country Economic Analysis and Reports," and OMS 1.13, "Country Sector Work."
8. See OMS 2.21, "Economic Analysis of Projects." OPNs 2.01-2.10 refer to a number of issues in appraising economic aspects.
9. See OPN 2.07, "Reporting and Monitoring Poverty Alleviation Work in the Bank," for determination of income levels defining poverty target groups for use in Bank operations.
10. See OPN 2.05, "Foreign Exchange Effects and Project Justification."
11. See OPN 2.02, "Risk and Sensitivity Analysis in the Economic Analysis of Projects."
12. See OMS 2.40, "Procurement"; OMS 2.50, "Services of Consulting Firms for Bank Group Projects and UNDP Studies"; OMS 3.80, "Safety of Dams"; OMS 4.00, "Financing of Technical Assistance and Engineering"; and OPN 4.02, "Procurement: Checklist for Appraisal."
13. See OMS 2.28, "State of Project Preparation Necessary for Loan Approval."
14. See OPN 3.08, "Insurance for Projects" (under preparation).
15. See OMS 2.32, "Projects on International Waters."
16. See OMS 2.36, "Environmental Aspects of Bank Work" (under preparation).
17. See OMS 2.30, "Organization and Management of Project Entities."
18. See OPN 10.01, "Project Complexity."
19. OPNs 3.01, 3.02, 3.05, 3.06 and 3.11 deal with a number of financial aspects of project appraisal.
20. See OMS 2.31, "Audits of Project Entities' Accounts."
21. See OPN 3.02, "Guidelines for Presentation of Financial Analysis," Section VI.
22. See OMS 2.25, "Cost Recovery Policies for Public Sector Projects: General Aspects"; OMS 3.72, "Energy, Water Supply and Sanitation and Telecommunications"; and OPN 2.10 "Irrigation Water Charges, Benefit Taxes and Cost Recovery."
23. See OMS 2.22, "Financial Performance Covenants for Revenue-Earning Entities" (under preparation).
24. See OMS 1.26, "Security Arrangements."
25. See OPN 4.02, "Procurement: Checklist for Appraisal."
26. See *Guidelines for Procurement Under World Bank Loans and IDA Credits* and OMS 2.40, "Procurement."
27. See OMS 2.41, "Advance Contracting and Retroactive Financing."
28. Detailed instructions on Procurement in Cofinanced Projects are under preparation.
29. See OMS 2.33, "Social Issues Associated with Involuntary Resettlement in Bank-Financed Projects," and OMS 2.34, "Tribal People in Bank-Financed Projects."
30. See OMS 4.00, "Financing of Technical Assistance and Engineering," and OPN 5.01, "Policy and Guidelines on Training in Bank/IDA Projects."
31. See *Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency*.
32. See OPN 5.02, "Use of Technical Assistance Loans to Generate Development Projects and to Strengthen Local Project Design Capabilities."

33. See OMS 2.15, "Project Preparation Facility."
 34. See OMS 3.04, "Format and Content of Staff Appraisal Reports."
 35. See OMS 3.02, "Format and Content of President's Report and Recommendations."
 36. Coordination throughout the appraisal process is discussed in detail in OMS 2.00, "Procedures for Processing Project Loans and Credits," especially Sections C, E, F and G. OPN 1.01 deals with the "OPS Role in the Project Cycle."
-

October 10, 1984
Mr. Visvanathan Rajagopalan
The Bank Social Science Group

The Use of Social Scientists in the Bank

1. Those of us in the Bank Social Science Group are writing to express our concern about the limited and unsystematic use of social scientists in Bank operations and to make several recommendations for change.
2. Recent PPARs point to the need for better social analysis in our projects and many Bank staff feel this need in their day to day work. However, the present Bank structure is not well suited to the optimal use of technical specialists including, but not limited to, social scientists.
3. On one end of the continuum, divisions are generally too small and their workloads too diverse to support a full-time social scientist. Consultants may be employed when social issues are particularly important, but they are often of limited utility because they are unfamiliar with Bank practices and the time-frame of Banking lending. For example, few academic anthropologists have the experience necessary to scan a very large number of social and institutional variables, pinpoint those with implications for project implementation, make quick decisions on their relative urgency and propose alternatives for action. Yet these tasks are a normal part of the work for Bank social scientists.
4. On the other end of the continuum, we note that there is no arrangement for the systematic review of social aspects of Bank projects either at the regional level or for the Bank as a whole.

Although Michael Cernea reviews social factors in agricultural projects and James Lee's division reviews projects touching on resettlement and tribal issues, perhaps 70% of Bank projects are not subject to such scrutiny and there is no one person in the Bank responsible for social soundness in the Bank's work. The fact that Dr. Lee's division, which is responsible for Environment, Science and Technology, has taken the initiative in designing the OMS on both tribal peoples and involuntary resettlement, is a credit to that division, but a clear indication of the vacuum which exists in the Bank's structure in relation to social analysis and review.

5. To address this problem we propose two actions. First, positions should be created in each of the regional front offices for social scientists who would be available to assist divisions directly, to identify consultants, and to oversee quality control at the regional level. Such an arrangement would ensure that manpower was available to identify and address problems early in the project cycle and it would provide a reasonable span of control, both in terms of project numbers and geographical specificity. Ideally, divisions would have the free use of regional specialists to encourage their wide deployment.

6. Second, a unit should be formed within OPS to provide direction and guidance to Bank managers, staff and regional specialists on social issues. This unit would deal with human factors in project design and implementation, and it would provide guidance on issues such as involuntary resettlement, women in development, local participation in operation and maintenance, land tenure, compliance with the OMS on tribal peoples, equity and cost

recovery, and the general social soundness of projects. To the extent that the Bank moves away from project lending in the future, these staff would also assist in upstream discussions of the social impact of various lending approaches and support the monitoring and evaluation of their social impact. This unit would require three or four people in order to have the necessary substantive and geographic coverage and to appropriately represent the Bank on these issues.

7. The most obvious objection to this proposal is that it would require additional manpower at a time of resource constraints within the Bank. We do not wish to avoid this objection by suggesting that the OPS position could be handled by one advisor or that these positions could be filled entirely with existing staff. However, there are already a dozen or so trained social scientists within the Bank and perhaps half of these could potentially be available to fill regional or OPS positions. We believe that by rationalizing Bank structure these staff could have a broader impact than they do at present and their proper deployment could simultaneously increase the quality of overall Bank work and decrease the need for short-term specialists. In the end, however, it is the importance of the task rather than the current availability of positions which must dictate staffing patterns; and the recent growth of staff focussed on training and institutional development provides evidence that expansion is possible when the need is clearly identified.

8. In conclusion, the present Bank structure does not promote the early identification of social issues or facilitate efforts to

address them, nor does it promote quality control with respect to human and social factors in Bank lending. We, therefore, request your assistance in setting up a unit within OPS to be responsible for these matters and in calling the need for regional social scientists to regional managers.

OFFICE MEMORANDUM

DATE October 26, 1984

TO Those Listed Below

FROM Gloria J. Davis *GD*

EXTENSION 74215

SUBJECT The Use of Social Scientists in the Bank

1. We would like to have a meeting on Wednesday, October 31 at 4:00 p.m. in Rm. E 628 to discuss the attached note. In particular we want to discuss (i) the priority given to various types of positions, (ii) the number of positions we should seek, and (iii) suggestions on who should receive copies.

2. If you have editorial suggestions, I would be grateful if you would pencil them on your copy and give them to me when we meet.

cc: Messrs. Michael Cernea (AGR), Michael Bamberger (WUDOR),
Mss. Marita Koch-Weser (AGR), Cynthia Cook (TRP),
Jacomina de Regt, (LCP)

GDavis:esb

October 26, 1984

Mr. Visvanathan Rajagopalan

The Bank Social Science Group

61774

The Use of Social Scientists in the Bank

1. Those of us in the Bank Social Science Group are writing to express our concern about the limited and unsystematic use of social scientists in Bank operations and to make several recommendations for change.
2. Recent OMSs and PPARs point to the need for better social analysis in our projects and many Bank staff feel this need in their day to day work. However, the present Bank structure is not well suited to the optimal use of technical specialists including, but not limited to, social scientists.
3. On one end of the continuum, most divisions are too small and their workloads too diverse to absorb a full-time social scientist. Middle level managers are often too concerned with the economics of projects to allocate slots for social analysts. Consultants may be employed when social issues are particularly important, but they are generally of less utility than in-house sociologists because they are unfamiliar with Bank practices and the time-frame of Bank lending. For example, few academic anthropologists have the experience necessary to scan a very large number of social and institutional variables, pinpoint those with implications for project implementation, make quick decisions on their relative urgency and propose alternatives for action. Yet these tasks are a normal part of the work for Bank social scientists.
4. On the other end of the continuum, we note that the institutionalized arrangements for the systematic review of social aspects of Bank projects are uneven, both among OPS departments and regional projects or programs departments. In AGR/OPS Michael Cernea reviews social factors in agricultural projects; Dr. Lee's environmental office reviews projects touching on tribal issues in non-agricultural projects; and some social review is carried out in Education and Transportation. However, at least 50% of Bank projects are not subject to sociological scrutiny and there is no one person in the Bank responsible for social soundness in the Bank's overall work.
5. To address this problem, positions must be created in the Bank which systematically deal with social analysis. To this end we have identified several institutional settings in which operationally oriented sociologists/anthropologists are critically required. First, a unit should be formed within OPS/PPD to provide direction and guidance to Bank managers and a focal point for regional specialists on social issues. This unit would deal with human factors in project design and implementation, and it would provide guidance on issues such as involuntary

resettlement, women in development, local participation in operation and maintenance, land tenure, tribal peoples, equity and cost recovery, and the general social soundness of projects. To the extent that the Bank expands non-project lending in the future, these staff would also assist in upstream discussions of the social impact of various lending approaches and support the monitoring and evaluation of their social impact. This unit would require three or four people in order to have the necessary substantive and geographic coverage and to appropriately represent the Bank on these issues.

6. In addition to the above, the following positions are needed, and listed in order of priority.

- (a) Regional Front Offices. A social scientist placed in each of these offices would be able to serve the most critical needs of operational divisions, identify consultants, and oversee quality control at the regional level. Such an arrangement would ensure that manpower was available to identify and address problems early in the project cycle and it would provide a reasonable span of control, both in terms of project numbers and geographical specificity. Ideally, divisions would have the free use of the front office specialists to encourage their wide deployment, or would contribute a small share (e.g. 10%) toward the position's cost.
- (b) OPS Departments. Several sectoral OPS departments should establish the position of sociology advisor for projects/ programs work in their sector, as Agriculture has done. Priority in this should be given to departments such as PHN, Energy, Education, and Industry.
- (c) Operational Divisions. Certain selected divisions, where sociological issues are crucial (e.g. Brazil Agriculture, South Asia Irrigation Division) should be encouraged to allocate an existing slot to a trained social scientist sufficiently versatile to carry out the duties of a general project officer.
- (d) Specialist's Pools. Two positions should be attached to existing pools, now located in some OPS departments, but financed with regional funds. These specialists would be used 100% for servicing operational needs of the regions, ensuring a better cost/benefit ratio to the Bank than spending the same (or more) funds for equivalent consultant manpower.

7. The most obvious objection to this proposal is that it would require additional manpower at a time of resource constraints within the Bank. We do not wish to avoid this objection by suggesting that these positions could be created entirely by reallocating existing slots. Nor will it be easy to find suitable individuals. However, there are already a dozen or so trained social scientists within the Bank and perhaps half of these could potentially be available to fill regional or OPS

October 26, 1984

positions. We believe that by rationalizing Bank structure, these staff could have a broader impact than they do at present and their proper deployment could simultaneously increase the quality of overall Bank work and decrease the need for short-term specialists. In the end, however, it is the importance of the task rather than the current availability of positions which must dictate staffing patterns; and the recent growth of staff focussed on training and institutional development provides evidence that expansion is possible when the need is clearly identified.

8. In conclusion, the present Bank structure does not sufficiently promote the early identification of social issues or facilitate efforts to address them nor does it institutionalize quality control across all sectors with respect to human and social factors in Bank lending. We, therefore, request your assistance, first, in setting up a unit within OPS to be responsible for social matters, and second, in calling the need for regional and sectoral social scientists to the attention of Bank senior management and regional managers.

cc:

Nov. 1, 1984

Mr. Visvanathan Rajagopalan

The Bank Social Science Group 1/

61774

The Use of Social Scientists in the Bank

1. Those of us in the Bank Social Science Group are writing to express our concern about the limited and unsystematic use of social scientists in Bank operations and to make several recommendations for change.

2. Recent OMSs on Project Appraisal (OMS 2.20, Section F. Sociological Aspects; OMS 2.33 Social Issues Associated with Involuntary Resettlement in Bank-Financed Projects; and OMS 2.34 Tribal People in Bank-Financed Projects) and PPARs point to the need for better social analysis in our projects and many Bank staff feel this need in their day-to-day work. However, the present Bank structure is not well suited to the optimal use of technical specialists including, but not limited to, social scientists.

3. Most operational divisions are too small and their workloads too diverse to absorb a full-time social scientist. Middle level managers are often too preoccupied with the economics of projects to allocate entire slots for social analysts. Consultants may be employed when social issues are particularly important, but they are generally of less utility than in-house sociologists because they are unfamiliar with Bank practices, the time-frame of Bank lending and cannot provide continuity. In addition, few academic anthropologists/sociologists combine necessary country know-how with experience necessary to scan a very large number of social and institutional variables, pinpoint those with implications for project implementation, make quick decisions on their relative urgency and propose alternatives for action. Yet these tasks are a normal part of the work for Bank social scientists.

1/ For the Group: Michael Cernea (AGRDR), Gloria Davis (AEPA4), Maritta Koch-Weser (AGR), Cynthia Cook (TRP), Michael Bamberger (WUDOR), Jacomina de Regt (LCPED)

4. We note that the institutionalized arrangements for the systematic review of social aspects of Bank projects are uneven, both among OPS departments and regional projects or programs departments. In AGR/OPS Michael Cernea reviews social factors in agricultural projects; Dr. Lee's environmental office reviews projects touching on tribal issues in non-agricultural projects (however, without disposing of specialist expertise among his staff); and some social review is carried out in Education and Transportation. However, at least 50% of Bank projects are not subject to sociological scrutiny and there is no one person in the Bank responsible for social soundness in the Bank's overall work. At the same time, a number of staff with sociological/anthropological expertise are employed in "generalist" type positions which by definition draw only marginally on their particular social science expertise.

5. To address this problem, positions with a mandate of systematic social analysis must be created in the Bank. We have identified institutional settings in which operationally oriented sociologists/anthropologists are critically required and where they would be most strategically placed. In order of priority, the following positions are needed:

- (a) Regional Front Offices. A social scientist placed in each of these offices would be able to serve the most critical needs of operational divisions, identify consultants, and oversee quality control at the regional level. Such an arrangement would ensure that manpower was available to identify and address problems early in the project cycle and it would provide a reasonable span of control, both in terms of project numbers and geographical specificity. Ideally, divisions would have the free use of the front office specialists to encourage their wide deployment, or would contribute a proportionate share toward the position's costs.
- (b) OPS Departments. Several sectoral OPS departments should establish the position of sociology advisor for projects/programs work in their sector, as Agriculture has done. Priority in this should be given to departments such as PHN, Energy, Education, and Industry.

- (c) Operational Divisions. Sociological/anthropological expertise should be strengthened, particularly in selected divisions where sociological issues are crucial (e.g. Brazil Agriculture, South Asia Irrigation Divisions). Such divisions should be encouraged to allocate an existing slot to a trained social scientist sufficiently versatile to carry out the duties of a general project officer. Divisions with a comparatively lower demand might benefit from a strengthening of existing specialists' pools in some OPS departments with sociological/anthropological positions. Such positions would be financed with regional funds and these specialists would be used 100% for servicing operational needs of the regions, ensuring a better cost/benefit ratio to the Bank than spending the same (or more) funds for equivalent consultant manpower.

6. Finally, we believe that provided such sociological capability is established at the regional and sectoral/operational levels, a unit ^{should} ~~might~~ also be formed within OPS/PPD to provide direction and guidance to Bank managers, and a focal point for regional and sectoral specialists ^{and Bank borrowers} on social issues. This unit would deal with human factors in project design and implementation, and it would provide guidance on issues such as involuntary resettlement, women in development, local participation in operation and maintenance, land tenure, tribal peoples, equity and cost recovery, and the general social soundness of projects. To the extent that the Bank will expand alternative non-project lending in the future, this unit would also assist in upstream discussions of the social impact of various lending approaches and support the monitoring and evaluation of their social impact.

7. We realize that the most obvious objection to our proposal is that it would require additional manpower at a time of resource constraints within the Bank. We do not wish to avoid this objection by suggesting that these positions could be created entirely by reallocating existing slots. Nor will it be easy to find suitable individuals. However, there are already a dozen or so trained social scientists within the Bank and perhaps half of these could potentially be available to fill regional or OPS positions. We believe that these staff could have a broader impact than they do at present and their proper deployment could simultaneously increase the quality of overall Bank work and decrease the need for short-term specialists. In the end, however, it is the importance of the task rather than the current availability of positions which must dictate staffing patterns; and the recent growth of staff focussed on training and institutional development provides evidence that expansion is possible when the need is clearly identified.

8. In conclusion, it is our view that broader structural problems affecting the use of technical experts within the Bank also seriously affect the use of social expertise. The present Bank structure does not sufficiently promote the early identification of social issues or facilitate efforts to address them, nor does it institutionalize quality control across all sectors with respect to human and social factors in Bank lending. We, therefore, request your assistance in calling the need for regional and sectoral social scientists to the attention of Bank senior management and regional managers, and in setting up a unit within OPS to be responsible for social matters. We would be grateful if you could on our behalf bring these issues to the attention of Messrs. Husain and Paijmans.

Date? VII 21

PROPOSAL FOR ESTABLISHING A HUMAN RESOURCES DEVELOPMENT (HRD) DEPARTMENT

Michael M. Cernea

Sociology Adviser, AGR

1. This note is a proposal for establishing a "Human Resources Development" (HRD) Department within the future PPR complex of the Bank. The reasons for such a Department, its functions and composition are briefly described below. I would welcome the opportunity to talk directly to the Task Force for PPR about this proposal and its implications.

2. The creation of an HRD Department is a logical step in the Bank's own development. Such an organizational development is becoming now virtually imperative, and is in full harmony with the other novel elements that senior management has indicated will characterize the Bank's reorganization.

The Building Blocks

3. The Bank has done much for human resources development already. Yet, in many ways the Bank's lending for HRD has outpaced Bank's conceptual thinking and is ahead of Bank publicly formulated policies. There is no systematically articulated Bank policy statement on investing in human capital as part of the development business of the Bank and its member countries. In turn, this absence of conceptualization deprives lending operations of needed guidance and synergistic effects.

4. Despite significant progresses made in recent years in recognizing the sociological/cultural dimensions of projects, the Bank has come under heavy criticism from outsiders for underestimating the sociological/human/cultural aspects. These criticisms are often similar to those on the physical-environmental issues. Sometimes, we had to give defensive answers to such criticism. The establishment of a Human Resources Development Department within the Policy complex of the Bank will put the Bank ahead on this score, with a constructive institutionalization of these key concerns.

5. Important building blocks for a HRD Department exist in OPS, in various locations. They need to be united and strengthened within a departmental structure, and remaining gaps need to be filled. The resulting qualitative changes and multiplier effects will be crucial for the intellectual weight and outlook of the new PPR, and for the leadership role of the Bank at large.

Basic Rationale for HRD

6. The justification for an HRD Department is rooted in the fundamental relationships between economic development, human resources and sustainability. The Bank has given increasing attention to population along the family planning approach, but we should extensively broaden our perspective from population to human capital. The Bank has given attention to the technical inputs for change, but we should intensively broaden our perspective to cultural change mechanisms, which rely on human capital. If we do that, the Bank will give a strong impetus to improving the quality of human resources and will probably invest more in education, training, health, and nutrition; in institutions and particularly in grass root institutions; in the production of new knowledge; and in general in the maintenance and enhancement of the stock of human capital. These things are vitally needed in order to accelerate economic growth, to deal with poverty, and to ensure long-term sustainability.

A Policy for Human Resources Development

7. The implications of the rationale defined above are that:

- (a) The Bank needs to think through comprehensively its policy orientation vis-a-vis the role of human capital in development;
- (b) The Bank needs publicly to formulate a HRD policy and promote it. It should proceed much as it did with the poverty alleviation policy in the '70s, of which HRD would be a continuation.
- (c) The HRD policy will help guide Bank lending operations and introduce some measured shift towards investing more in the various forms of human capital that are paramount to growth.

8. By adopting a clear HRD policy, the Bank's world-wide intellectual leadership in development work will be strongly reasserted. The potential is enormous. HRD does not mean setting aside ongoing directions in lending, but rather building upon them, adjusting and re-focusing them, by putting the actors of development -- the human resources -- in the center.

9. Should management so decide, the Bank will certainly be in the position to become the flag-bearer of this policy for the entire international aid and donor community. In the dearth of ideas that has plagued the last years, and produced the so-called "aid fatigue" and various anti-development criticisms, the orientation toward HRD may become a new rallying idea for "Development in the '90s", with far reaching impacts.

Building Blocks for an HRD Department

10. OPS is already in the forefront of addressing these issues in the Bank. Several organizational units do exist in OPS that could be integrated into a new, free-standing Department. There is also a clear organizational advantage in aggregating these dispersed units, and unloading some existing and over-extended OPS Departments. Among these existing units that deal directly with HRD issues are:

- (a) The Policy Unit in PHN
- (b) The Public Sector Management Unit
- (c) Women in Development
- (d) The tribal sub-unit in the Environmental group
- (e) The staff dealing with poverty monitoring in the AGRME unit.
- (f) The NGO Unit in IRD

11. Additional resources are to be found in other OPS units, like the Education Department, Urban Department, PPD, etc.

Functions of the HRD Department

12. Human resources development and poverty alleviation will be at the center of the policy and research work to be carried out by the new department.

13. Poverty. The HRD department should exercise the central policy function with respect to the Bank's poverty policy and be the policy counterpart for the poverty lending programs in the Operations Complex. A strong Poverty Policy and Studies Division does not exist in the Bank now, and it is necessary as a focal point.

14. Human Capital. The preparation and formulation of a human resources development policy for the Bank would be the central task of this Department (The initial statement of this policy could be launched in a similar way as the Nairobi statement of the then World Bank President). Among the other related and continuous regular function of the HRD Department would therefore be:

- (a) Interaction with the operations complex for translating the policy into the Bank's lending operations;
- (b) Methodological work for introducing a human resource focus in all other Bank activities, primarily in country work and sector work;
- (c) Indepth analytical work on experiences with ongoing lending for HRD; lessons, impact, etc.;
- (d) Research work.

15. A more detailed definition of HRD functions will need to be pursued, if this proposal is approved, along the lines of the new Department's subdivisions.

Composition of the HRD Department

16. At a first cut, the HRD Department could have six or seven Divisions and/or Units. A group of Senior Advisers for Population, Sociology, Poverty respectively will assist the Department's Director in the substantive guidance of the Divisions/Units and ensure linkages with operational entities in the Bank. These Divisions/Units are:

- (1) Poverty Policy and Studies
- (2) Public Sector Institutions
- (3) Human Factors and Local Organizations
- (4) Women in Development
- (5) Population and Nutrition
- (6) Education and Social Services
- (7) Research

17. While most of the (tentative) Unit names above are self-explanatory, the one in point 3 needs a comment. It will cover institutional/organization building at the grass root/local level, as the counterpart to the PSM unit which essentially deals with top government (public sector management) issues. This Division/Unit will also address/research the social processes and human factors that are part and parcel of any development process, in any Bank project or program, without yet being the special focus of any unit in the Bank. For instance, the Water Users' associations, the pastoral associations and other forms of production-oriented grass root organizations, the NGOs, etc. which are playing an extraordinarily important function in the dynamics of development, will be finally encompassed in the Bank's systematic policy (and hopefully operational) work.

Staffing Patterns

18. The staffing patterns of the HRD Department need, by design, to be quite innovative compared to current Bank skill-mix patterns. To carry out its novel mandate, and to compensate for existing skill gaps in the Bank, the HRD Department would need to build up a strong group with expertise in applied/development sociology, anthropology, human ecology, political science, etc., besides the economists with expertise in human resource/poverty issue.

Location of the HRD Department

19. While the obvious location of HRD as a policy department is in the new PPR complex, various options are possible for linking this Department with others inside PPR. Ideally, a Vice Presidency for Human Resources Policies could be created within the PPR complex, which could

contain: the new HRD Department; EDI; the World Development Report; other entities to be centrally maintained from the existing WUD and EDT Departments. This proposal assumes that a parallel Vice Presidency, inside PPR, tentatively to be called the Vice Presidency for Natural Resources Development Policies, would bring under its fold existing OPS and EIS departments like AGR, EGY, IND, TRP, plus the new Environmental Department.

20. An issue which calls for analysis is the relationship between HRD and Environment. It could conceivably be argued that the two should be merged into one single department, but this would put under one umbrella vastly different sets of issues. There is a stronger case to be made that Environment should deal with the natural resources to be protected, managed and developed, and that a free-standing full Environmental Department is therefore justified, without having to merge it with the HRD Department. The current anomaly under which our Environmental Unit addresses not only endangered plant species or wildlife but also deals with tribal populations like an "endangered" species, will be corrected, and the tribal policies and issues will be a logical component of the HRD work, as women in development is.

21. One other option is to bring the two structurally new Departments, HRD and Environment, into the same Vice Presidency, to form together the Vice Presidency for Human Resources and Environment, perhaps including EDI and other kindred entities as well. This will give intellectual and institutional critical mass to this Vice Presidency. Obviously, however, this depends on how the rest of the PPR will be structured.

22. For every one of the above options, however, it will be crucial to ensure institutionalized interaction between the PPR complex and the Operations Complex.

23. Fine-tuning further the above proposals is obviously necessary. If you find merit in them, I will be glad to work further.

MMC/gmo

The Use of Sociologists in Bank Work

The Directors discussed a memorandum from "The Bank Sociological Group" on the use of sociologists in Bank work. Referencing Section F of OMS 2.20, on sociological aspects of project appraisal, the memorandum noted that the present Bank structure was not well suited to optimal use of social scientists -- e.g., in anticipating or designing measures to affect people's reactions to projects. Coverage in the OPS departments was uneven, most operations divisions had insufficient work to occupy a sociologist fully, and therefore had none, and some sociologists in Operations were used mainly in generalist roles not requiring their special expertise in predicting, influencing and explaining behavior. Consideration was urged for having a sociologist in each Regional projects front office and the sectorially-oriented departments of OPS and EIS. Secondly, divisions dealing extensively with settlement, irrigation or tribal issues should consider acquiring social science expertise or perhaps funding positions in an OPS pool, possibly associated with a leadership responsibility in OPS/PPD. There were a dozen or so such experts in the Bank, but perhaps half of them were not now deployed to best advantage.

Some speakers agreed that an important issue had been identified; behavioral implications often were inadequately treated in Bank work. But it did not necessarily follow that more social scientists were required. Much economic and sector work did take behavioral implications into account. Active recognition of the need for such a purview was more important than the number and deployment of specialists hired to provide it.

A speaker said some sociologists tended to resist change, although change was the essence of development. Another said sociological expertise was often more important during implementation than during preparation or appraisal. A last speaker said that, despite the benefits of scale, a disadvantage of pooling sociologists centrally would be that they would then be relatively remote from -- and might therefore have less impact on -- operations. Mr. Husain asked Mr. Richardson to look into the problem.

Mr J C Peter R.
Assistant to the V.P.
Operations Policy Staff
World Bank

STANDARD DISTRIBUTION

POS-01

0005

Kapur, Shiv S.
H 7021

The Use of Sociologists in Bank Work

The Directors discussed a memorandum from "The Bank Sociological Group" on the use of sociologists in Bank work. Referencing Section F of OMS 2.20, on sociological aspects of project appraisal, the memorandum noted that the present Bank structure was not well suited to optimal use of social scientists -- e.g., in anticipating or designing measures to affect people's reactions to projects. Coverage in the OPS departments was uneven, most operations divisions had insufficient work to occupy a sociologist fully, and therefore had none, and some sociologists in Operations were used mainly in generalist roles not requiring their special expertise in predicting, influencing and explaining behavior. Consideration was urged for having a sociologist in each Regional projects front office and the sectorially-oriented departments of OPS and EIS. Secondarily, divisions dealing extensively with settlement, irrigation or tribal issues should consider acquiring social science expertise or perhaps funding positions in an OPS pool, possibly associated with a leadership responsibility in OPS/PPD. There were a dozen or so such experts in the Bank, but perhaps half of them were not now deployed to best advantage.

Some speakers agreed that an important issue had been identified; behavioral implications often were inadequately treated in Bank work. But it did not necessarily follow that more social scientists were required. Much economic and sector work did take behavioral implications into account. Active recognition of the need for such a purview was more important than the number and deployment of specialists hired to provide it.

A speaker said some sociologists tended to resist change, although change was the essence of development. Another said sociological expertise was often more important during implementation than during preparation or appraisal. A last speaker said that, despite the benefits of scale, a disadvantage of pooling sociologists centrally would be that they would then be relatively remote from -- and might therefore have less impact on -- operations. Mr. Husain asked Mr. Richardson to look into the problem.

STANDARD DISTRIBUTION

POS-01

0179

Hussain, Muhammad Altaf
E 624

DRAFT

August 12, 1986

Those listed below

Gloria Davis, Michael Cernea, Cynthia Cook
on behalf of the Bank Social Science Group

Minutes of the Operational Vice President's Meeting of July 23, 1986 -
Social Cost of Adjustment - Outline of a Proposed Paper

We note with interest that a paper entitled Social Costs of Adjustment is to be planned by "a small group of economists from the regions and within OPS who are familiar with these issues...." Would it be appropriate to suggest that specialists other than economists might have something to contribute?

cc: Messrs. Stern, Baum, Hopper, Husain, Inakage, Karaosmanoglu,
Thalwitz, Wapenhans, Kraske, van der Meer, Dubey,
de la Renaudiere, Huang, Ruddy, Nicholas
Ms. Donovan

GDavis:hea (99)

Should we ?

Gloria ext 72509

OFFICE MEMORANDUM

DATE: August 1, 1986

TO: Files

FROM: Office of the Senior Vice President, Operations

SUBJECT: Minutes of the Operational Vice Presidents' Meeting of July 23, 1986

Present:

Members: Messrs. Stern (Chairman), Baum, Hopper, Husain, Inakage, Karaosmanoglu, Thalwitz, Wapenhans, Kraske, van der Meer

Others: Messrs. de la Renaudiere, Dubey, Huang, Ruddy, Nicholas
Ms. Donovan

Social Costs of Adjustment - Outline of Proposed Paper


1. Mr. Huang introduced this outline, noting that the views on this topic are extremely diverse. The paper would try to highlight that the costs involved in the adjustment process often stem from the policies which have been pursued which militate against growth, rather than from the growth promoting policy adjustments which are undertaken in the reform program. These reform programs should be designed to moderate the social costs associated with changing policies to the extent possible. Identification and application of compensatory measures to protect the poor will be a main focus of the paper.
2. The paper will also try to highlight that the Bank's role in poverty alleviation cannot be evaluated by reviewing adjustment lending alone. The poverty focus of Bank work is manifested to an important extent in the design of individual investment operations, as well as in the policy reforms which are derived from Bank economic and sector work.
3. The Chairman noted that the "social costs of adjustment" cannot be evaluated through analyzing economies "before" and "after" the policy reforms, because the situation prevailing prior to the reforms is never sustainable. Therefore, the only options open to economies requiring major adjustment is to determine whether this adjustment will be planned or unplanned.
4. Much of the reforms undertaken relate to reorientation and removal of subsidies. The paper should bring out the social costs of maintaining subsidies, as well as the costs of their removal, e.g., the role of protectionism and interest rate subsidies in promoting unemployment, and of low producer prices on domestic agriculture. Frequently, subsidies tend to provide benefits to the rich and powerful at great cost. The paper should also recognize that the poor are a highly differentiated group and compensatory measures in adjustment programs must be designed to reflect this.
5. Speakers noted that this paper will be very difficult to write but that, as a first objective, it should aim at providing some clear analysis of this issue. Once the analytical basis and approaches to address this issue

have been developed, a paper can be derived from this work for the Board. Analysis is required to ascertain whether significant policy reforms can take place, without causing economic recession and, if so, under what circumstances. Clearly, the timing and sequencing of stabilization and adjustment measures will determine the net effect of these reforms on the economy.

6. Speakers agreed that CPD should assemble a small group of economists from the Regions and within OPS, who are familiar with these issues, to assist them in designing the approach to be followed in the paper. The initial objective should be a clear, tightly reasoned paper which identifies and addresses the issue of the social costs of adjustment as explicitly as possible.

Cleared w/ and cc: Mr. Wapenhans

PDonovan:ml



LVL-01

0330

Davis, Ms. Gloria Jean

A 638

1987

ASIA REGIONS TECHNICAL DEPARTMENT

STRATEGY FOR A DIVISION OF SOCIAL DEVELOPMENT

Goals and Objectives

To enable the Bank lending program to achieve its developmental objective by improving the social soundness and sustainability of projects.

Current Obligations and Requirements

Overall Operational Support - In addition to the ASTEN sector work the requests for operational support from ASTEN by the CDs for FY 1991 and 1992 increased as follows:

FISCAL YEAR	PLANNED (Cammed)	ACTUAL
-----	-----	-----
FY 91	126.9	112.8
FY 92	120	187.4 ¹
FY 93	169.6	

During the past two Fiscal Years requests to ASTEN for technical advice has expanded beyond support to resettlement (although this remains our major task) to GEF/Bio-diversity projects, consultation with affected groups in the EA process, indigenous people's issues, poverty reduction, gender issues, and social factors in natural resources management. The planned (cammed) figure of 234.4 staff weeks for FY 1993 includes all social sectors covered by ASTEN, of which 47% is for resettlement, 35% for gender work and 18% for participation and natural resource management.

Resources

The cam requests for operational support during FY 1993 provide a full mission schedule for five to six staff with only four at present, but does not provide for the important activities of developing and delivering in-country and in-Bank training, bringing new consultants up to speed for Bank mission work, or for providing the analytical and planning work required before full scale support can be provided in the important areas of poverty reduction, consultation and participation in project design, and in social appraisal of projects. To partly meet the shortfall in resources ASTEN social team during FY 1991 and 1992 secured the following support from bi-lateral sources:

\$200,000	SIDA for People's Participation
380,000	Norway for WID
100,000	Japan for WID

In addition requests have been made for \$430,000 from the Netherlands for Agriculture WID REview, \$120,000 from the Ford Foundation for Finance and Micro-enterprise work in India, and about \$900,000 from Sida for Consultation and Participation. However the likelihood of receiving even a small part of these additional funds appears low at the moment, meanwhile ASTEN is unable to meet its commitments to the Bank's priority programs.

Resettlement - South and East Asia have 57 projects under implementation with resettlement which will displace a total of 1,228,160 affected people. In so far as can be determined at this stage the pipeline up to FY 1995 contains 20 projects in South and East Asia which will displace an estimated 1,026,025 people. Experience within the Bank shows that as projects move along the project cycle the numbers with resettlement increases as do the original estimates of affected people. Assuming that about 50% of the cam time for FY 93 is for resettlement the social team could allocate an average of only one week per project with resettlement. Experience shows that an average of about four weeks per year per project is required which would mean an additional 240

¹/In addition ASTEN hired local consultants for a total of 9.2 weeks

staff/consultant weeks if the topic is to be properly covered during preparation and implementation.

Consultation and Participation - Consultation and participation are required in two principal types of project. In one, the need is to identify the adverse impacts which projects may have on the affected people and design measures for their mitigation. The second is to take the views, ideas and culture of the people affected into full consideration when preparing the project itself. This latter process is also applicable when planning mitigation of adverse effects, e.g. involuntary resettlement. There are a total of 55 category 'A' projects in South and East Asia Regions. All require consultation with affected people during the EA process. ASTEN has assisted with review and preparation of terms of reference and the nomination of consultants, mainly without charged time. Experience over the past fiscal year shows that an increasing number of task managers are becoming concerned that projects actually require participation with the beneficiaries during the preparation stages if their projects are to achieve their objectives. Through a grant from SIDA the social team has assisted twelve Task Managers to mobilize people's participation to enhance their projects. The SIDA funds are now exhausted and no further support can be provided until further funds are secured.

Indigenous Peoples - A number of projects under recent preparation have at late stages in the project cycle been detected as requiring tribal action plans. The presence of indigenous peoples had escaped task managers scrutiny and had not been picked up by ASTEN because they were not category 'A' projects, the only ones which staff have time to look at and then only in limited respect. The importance of indigenous peoples in Bank work now extends beyond the requirements of OD 4.3 to forest dwellers in general, especially those in protected areas, mainly through the growing number of biodiversity projects funded through GEF and other sources (20 projects to date).

Natural Resources Projects - The social team has provided a considerable amount of support to natural resources projects, especially on the management side. This support has included both ESW and projects work and covers forestry, watershed protection and management and recovery of marginal and deteriorating land. The principal member of the social team providing this support has now left for a position in LAC and a replacement needs to be found.

Gender - ASTEN's main efforts have been in setting up training programs for task managers in several sectors, and in developing a capability to provide support to projects seeking to improve women's economic productivity either in the area of agriculture or by making finance and enterprise development services available to poor women. Although the income earning emphasis will be maintained in the future, the ASTEN social team will with the objective of poverty reduction seek to identify opportunities to enhance projects aimed at providing social services to the poor.

Poverty Reduction

Although covered by an Operational Directive (No.4.15) ASTEN has not (except for some finance and micro-enterprise projects in Nepal and India) paid much attention to this important part of the Bank's work program. Again, this has been in part due to the absorption of most staff time on review and operational support of 'A' category projects, which are not necessarily those with the best opportunities for reducing poverty. As the issue of poverty underlies all of the subject matter areas of concern the social team needs to review the scope of projects with a view to identifying those with the most scope for poverty reduction through good social design and participation. Following this an analytical framework and set of procedures would be established which would enable the social team to provide a significant input to the FY 1994 work program.

Issues

The work of the ASTEN social team is 90% demand driven, with the demands of high profile projects with resettlement problems constantly assuming priority over other projects. Staff, therefore spend most of their time on resettlement and yet are unable to give all projects the attention they deserve. There are currently two positions for resettlement and a further three plus one or two long term consultants are required if the Asia Regions are to really get on top of the problems.

A further limitation of ASTEN capacity is reflected in the preoccupation with 'A' category projects because of their major environmental impacts. This has led to the ignoring of the majority of most 'B' and 'C' projects (the majority) which contain the most potential for poverty alleviation, planning through participatory design and for improving women's access to services and production resources.

There is a growing concern among Bank staff about the ever growing number of Operational Directives. Although only a small proportion of the total number directly affect the work of the social team their mandatory nature has led to an over emphasis on seeking out projects with OD implications, rather than seeking out projects which can be enhanced through social design. Thus guidelines which are intended within a climate of careful project preparation to provide guidance on handling certain situations have to an extent become the main reason for task managers consulting the ASTEN social team. The tail is now wagging the dog. The new social unit of division is seen as a way of putting the various Ods into their proper perspective as guidelines for specific situations, and not as obstacles to be sought out and overcome or avoided at the expense of otherwise good project preparation. The new unit would achieve this through the process described below.

Participation is now cited in 20 different Ods as being important to project effectiveness and yet two ASTEN staff had one week each in FY 1992 to handle participation.

While the existing ASTEN social team can easily expand into an enlarged role to deal with resettlement and gender, and to some extent, consultation, there are a number of related topics which will require further review and analysis before ASTEN or the new unit will be in a position to provide substantial support to the CDs. The topics referred to are those concerning poverty, social design and appraisal and natural resource management. This critically important work needs to be carried out during FY 1993 if the new unit or division is to be in a position to provide the necessary support the following year. For this additional staff are required as well as consultants.

Proposed Strategy

The new unit or division will take a pro-active stance, i.e. look for projects with social impacts at the earliest stage possible rather than wait for OD related problems to become apparent at late stages of the project cycle. This strategy would provide better preparedness for issues as mandated by ODs, and would also improve project design.

This strategy would facilitate the covering of a range of themes such as bio-diversity/GEF, poverty reduction, environmental assessment, resettlement and natural resources management in the context of social issues which would also accommodate the specific measures required under any ODs which might be applicable.

A key entry point for looking at social issues would in all cases be the institutional aspects, including formal, informal (traditional), the interfaces between each and the scope for building on them, with or without modification.

Resettlement

The strategy for FY 1993 is to recruit two additional staff to work with the social team on resettlement. Two additional staff would be engaged by the India and China CDs to work full-time on resettlement. The main thrust of the 1993 and 1994 fiscal years would be in the preparation of training materials, (videos, guidelines, etc) and the running of training programs in selected countries and in the Bank to develop capabilities for preparing and implementing resettlement components successfully. The social team require a sum of US \$150,000 (already requested by Ms.Davis) to cover the costs of this training program.

With the growth in demand for resettlement specialists and social scientists with development experience in many donor agencies the supply of consultants is becoming critical. In order to overcome the shortage the social team will hire promising candidates and take them on an average of two missions each to teach them the Bank's ways and bring them up to speed.

Consultation, Participation and Social Design

An experienced consultant has been hired on a short term basis by ASTEN to get the program in consultation underway. With an additional post being created for the purpose the intention is to hire this consultant on a regular basis. During FY 1993 training programs for in-country and in-Bank training will be planned and organized and operational support provided especially for Environmental Assessment work. In FY 1994 an expanded training program for consultation in the EA process will be launched, and training programs designed to assist task managers in participatory project preparation (design). An appropriate methodology and appropriate procedures for this will be prepared during FY 1993. ASTEN are currently actively pursuing possible sources of bi-lateral funds to support prepare audio-visual training material and finance training in selected countries.

Indigenous Peoples, Protected Areas and Natural Resource Management

During FY 1993 a full time specialist will be appointed to a staff position to develop conceptual frameworks and operational procedures to provide support to the CDs in the important fields of natural resource management, protected areas and indigenous people's issues. Priority will given to projects affecting indigenous peoples, protected areas and bio-diversity projects including GEF projects, as well as forestry and watershed management projects.

Gender and Poverty

In order replace the part time support of a long term consultant anthropologist working in WID issues in agriculture, the team has prepared a proposal to a bi-lateral donor for funds to not only replace the lost consultant but to expand the work on WID in Agriculture. General guidelines will be developed by the team in the course of providing operational support to the CDs. The team plans to extend this work into a program for women and the environment.

Building on pilot work in Nepal the team will undertake a major assessment of the ability of various financial service delivery systems in India to reach poor women in financially sustainable ways. The results will be used to improve effectiveness of Bank lending in this sector. The team plans to extend this work to East Asia during FY 1994. The team will also prepare guidelines on enterprise development services for women in Asia in FY 1993 based on a completed review.

Process

The social team will develop a system to identify and categorize all projects with significant social impacts or requiring consultation with affected groups ('A's) and/or people's participation in project design.

Unlike the categories used in respect of environmental classification which indicate the severity of impacts, the social categories will indicate

qualitative differences, with possibly the exception of the first category including all those pertinent to ODs.

This system will enable the team to review projects (IEPS and at stages thenceforth) for applicability of ODs, WID and/or participation and or design and follow-up as appropriate with task managers. Follow-up activities could include:

Advice to TMs and assistance with project preparation.

Appraisal of projects for 'social soundness' and sustainability.

Provision of training to Bank staff and in selected countries

Maintenance of a roster of skilled consultants

Prepare guidelines on selected topics as mentioned in the above.

Structure

The main structural features would be around the process, rather than strict boundaries between specializations, although staff would tend to work more on some topics than others, e.g. Ashraf on resettlement, Al on consultation/participation, Lynn and Rekha on WID. There would be four main teams as follows:

- Resettlement
- Gender and Poverty
- Consultation, Participation and Social Design
- Natural resource management, indigenous people, protected areas.

An Program Assistant (Myrtle) would take over a copy of the data base from Denise and assume a parallel role in ensuring appropriate staff review IEPs, FEPs, YCs, etc and provide classification, and would track projects according to supervision schedules.

Staffing

Division Chief -

Anthropologist -DB, social appraisal, resettlement,

Anthropologist -AG, resettlement, training

WID Coordinator-LB, finance, credit, WID

WID Specialist -RD, health

*Participation Spec. - AF

*Anthropologist - Indigenous Peoples, Natural Resources, Social appraisal, GEF

*Anthropologist - Resettlement, participation

*Ag. Economist -LT, China Resett. Review and EA2

*Anthropologist -To be recruited, SA3 (Resettlement)

Program Asst. -MD

Admin. Asst. -To Be Identified

Secretary -Nona

Secretary -Christy

Secretary -To Be Identified.

Consultants

Sumila

WID

Long term resettlement spec.

Short term consultants for resettlement, consultation and gender.

* = new positions

Incremental Development of Work Program

Projects work

Sector work

Staff/consultant training and development

In country training

GUNNAR M. SØRBØ

DIRECTOR

Home address: Bøneslia 105, N-5062 Bønes, Norway

Teleph.: 47-5 - 12 43 09



CENTRE FOR DEVELOPMENT STUDIES
UNIVERSITY OF BERGEN

STRØMGTT. 54, N-5007 BERGEN, NORWAY

TELEPH.: 47-5 - 21 33 05/21 33 06

TELETEX: 2421 - 44 10 23 UIBTA (SPECIFY ATTENTION)

HAS THE WORLD BANK ABANDONED ITS FOCUS ON POVERTY ALLEVIATION?

World Bank Symposium

Oslo, March 31, 1987

Gunnar M. Sørbo
Centre for Development Studies
University of Bergen
Strømg. 54
N-5007 Bergen, Norway

July 6, -87

Gunnar Sørbo asked
me to send you
these papers.

Knut Opsal
J9-006

I read in the proceedings of another World Bank symposium that somebody, after hours of debate on the Bank, suddenly asked the following question, "Will the real World Bank please stand up?"

This question may be particularly pertinent for this morning's topic. I am quite sure that if I started to make critical comments on specific Bank projects related to the problem of poverty alleviation, somebody would quickly get up and tell us about this wonderful project in Mali or in the Philippines and shut me up for the rest of the morning. So I am not going to do that. Nor will I try to compete with the economists who dominated much of the debate yesterday and will probably continue to do so today. If I can make any contribution on the important subject of the World Bank and poverty alleviation - where our record is rather appalling and where what has happened to the poor in the developing world can not be a source of complacency to any of us, including the Bank - it must be by approaching it from my own professional background as a social anthropologist. As an anthropologist, one of my main tasks is to analyze and understand how people try to live in worlds which they largely do not create themselves - a task which I believe must be at the heart of any debate on development.

No one who knows the Bank would say that it is not concerned with poverty. In order to make sure that we do not make that kind of statement, the Bank has attached some material with the programme which strongly indicates that poverty is very much in focus for Bank activities. It is also quite clear that senior members of the Bank who have spoken during this symposium, believe in the importance of this aspect of the Bank's work.

My concern this morning, therefore, is not so much going to be, "Has the World Bank abandoned its focus on poverty alleviation?" Rather, I shall ask the following questions:

1. Has there been any shift in commitment?
2. If the Bank is concerned with poverty alleviation, does it have the capacity to put that intention into practice?
3. Does the Bank have any comparative advantage in acting directly on the problems of the poor, or should it rather leave it for others who may be able to do a better job?

Regarding a possible shift in commitment, I shall be brief. It has been claimed that the Bank of the 1980s is being thrust into the role of manager of the global economy and moving away from financing the alleviation of poverty; that with the departure of McNamara and the arrival of Clausen, the Bank shifted its explicit "focus on poverty" to what Clausen called a "balanced strategy", i.e. one of "faster economic growth combined with pragmatic measures to reduce absolute poverty". In practice, that meant greater emphasis on free market economics, pressure to privatize many functions assumed by the public sector, and the promotion of "efficient" policies that would act as incentives for commercial banks to cooperate in debt restructuring and to significantly increase their capital flows to de-capitalized economies (cf. Annis 1986:96).

Has this shift acted at odds with the needs of the poor? The official Bank answer would be that it hasn't - that growth helps the poor as much as it helps anyone; that a rising tide lifts all ships; that the signals have changed, yes, but not because of a lesser commitment to poverty alleviation but because of a recognition that the focus in the 1970s - which was to increase the productivity of the poor through investment projects oriented towards (and including widespread participation by) the poor - is vital but not enough by itself; that it is essential also to have

an institutional and policy environment that is supportive of these investments (Wood 1986:95). It will also be a Bank argument that, although there is not a precise correspondence between the policy reforms that would benefit the poor and the policy reforms which are required for stabilization, neither is there complete conflict; and many of the reforms in the pricing area, particularly in agricultural pricing, do benefit the rural poor (ibid.:96). Softening of the poverty focus, then, is largely a matter of rhetoric and the juggling of numbers.

Dr. Sheldon Annis, a US economist presently with the Overseas Development Council, has argued that the shift is deeper than that, and that there is much to suggest that, fundamentally, the direction of the Bank is changing. He shows that there has been a relative decline in lending to the "poverty sectors" (rural development, education, population, health, and nutrition, small-scale enterprises, urban development, and, water and sewage). He also suggests that there has been a non-poverty orientation reflected in the use of staff resources, and a new faith in the fairness of growth combined with a hostility towards the public sector which, he thinks, represents an ideological agenda masked as a set of development principles. This is likely to hurt the poor, who, amongst other things, depend on the state for equalizing opportunity (op.cit.:96ff).

I do not believe that a discussion of a possible shift in commitment, if based mainly on this type of statistical-numerical type of information, would get us very far this morning. The distinction f.ex. between poverty and non-poverty sectors is clearly artificial, and in itself a highly imperfect measure of the degree of the Bank's commitment to eradicate poverty. Also, it may well be that there are a number of projects where poverty alleviation results by consequence rather than by intention.

I propose, therefore, to take it from another angle, to talk briefly about poverty and poverty analysis in order to identify

some of the crucial requirements that must be met for dealing with poverty alleviation.

I think the most important aspect of poverty for our purpose here this morning, is that it has to do with relationships. You are poor relative to somebody else who is rich or not so poor, and your poverty is related to and maintained through systems of relationships. When you are poor, you often survive because you are a client of somebody else, which, in turn, to a large extent puts constraints on what you can do.

Everybody knows that this is so; yet, a surprising amount of planning and implementation of projects proceeds as if this is not important. They often treat the poor as a statistical category which is somehow supposed to be able to act as a group, provided they are given the correct incentives. "Our main target group is the poor 20 per cent"; "our project aims to extend benefits to the poorest 10 per cent of the population". You have all heard and possibly even used such statements. Yet to direct money and projects to the poor as if they were a group whose situation does not depend on the ties they have to others represents an approach generally doomed to failure.

This approach is often also supported by a type of "basic needs" and poverty surveys which seem tremendously wasteful in terms of time and money spent - surveys which, on the basis of a number of (often highly disputed) indicators try to categorize people without trying to disentangle essential relationships and causes.

The analysis which is required of us, and which must precede any attempts of intervention is, in most cases, the kind of micro-macro analysis which some people in the audience were asking for at the end of the session yesterday. Let me therefore talk briefly about this in more general terms.

Assembled here this morning are persons from many different

disciplines. What we all have in common is that when we make investigations we try to isolate what we call "systems" or "sub-systems" of interconnections on which we focus our attention. Thus the economist will try to define what she/he regards as main elements in an economic system or sub-system. She/he may study a regional market or international cotton trade; the ecologist may study life in a small part of a river system (e.g. a pool); and the anthropologist may study a village community, or, for that matter, family conversation around the breakfast table on a Monday morning. What we all have in common is that we proceed to build up our understanding of larger interconnections by defining such sub-systems, but without claiming that life in a village, in a family or in a river pool can be understood in isolation from other, wider aspects of life beyond the family or beyond the village. So when I live in a Sudanese village and observe that people go to town to buy and sell products, or, that they get together to pray five times a day, I cannot just list such observations as aspects of local life, because through such actions people are tied to other people and networks, beyond the boundaries of their communities and sometimes of enormous dimensions.

What has this to do with poverty alleviation or with the World Bank? I come to this now.

Livestock development projects in Africa, which are supposed to reach some of the poorest groups in the world, are generally regarded as failures. The Bank has been involved in many of them.

If we look at what has been the common type of projects in areas characterized by a high degree of dependence on livestock, we will find that they include management interventions like the establishment of ranches, water-drilling programmes, and planting of trees or bushes in order to arrest sand dunes or generally to prevent erosion.

in a report issued by the World Bank on the Sahel in Africa, it is argued that development efforts in that area, including those of the Bank, tend to share the following weaknesses:

- (1) planners have often misunderstood the logic of traditional production systems, and have thereby overestimated the ease with which improvements could be introduced and underestimated the negative consequences of intended improvements;
- (2) there has been lack of participation by the ostensible beneficiaries; and
- (3) there has been an underestimation of (a) managerial weaknesses of existing institutions and/or the difficulty of setting up new institutions, and (b) the remaining strengths of local institutions.

It seems to me that the typical approach to development has been to treat symptoms, to pay attention to the easily visible, but often superficial phenomena, a tendency to assume that the immediate cause of ecological degradation is the significant cause, to look no further for causal interconnections, but to prescribe simple remedies like those just mentioned and expect them to be easily and efficiently implemented.

And here I am back to my Sudanese village. What happens in a village is affected by so many factors beyond its boundaries and if I do not grasp such forces, I cannot really understand the life situation of those people who live there. It is like trying to stop a sand dune by planting trees. If we are unable to remove the factors which produce erosion and sand dunes and which often are large-scale, regional pressures, often between different ecological zones, our chances of stopping erosion and sand dunes are pretty slight indeed. Or to take another example:

if the farmers on the Gezira Scheme in the Sudan, the world's largest irrigation project, invest in animals because the incomes deriving from the production of cotton and peanuts for the world market are insufficient, and if in so doing they contribute towards the destruction of grazing areas, it seems unrealistic, both politically and ecologically, to combat desertification by looking for management solutions just for the grazing areas. Yet this has been the approach commonly adopted by a large number of agencies and organizations which have implemented development and conservation projects in the vast areas of the Sudan-Sahelian belt.

We have here some real challenges which go beyond the poverty issue, but which are general problems of analysis and planning. It seems that we still face real problems in analyzing major constraints or bottlenecks in such a way that we are able to identify key entry points for interventions. This seems partly due (a) to our failure to pursue chains of causation that cut across the boundaries of many disciplines (belonging to a specific discipline makes us selective in terms of the questions we ask and the data we collect), partly (b) to our failure to deal with the problems of scale, i.e. to trace trends and processes within and between regions, the transfer of pressures between different ecological zones as well as relationships between different sectors of economic activities.

I personally believe that our failure to deal with the problems of scale also derives much from the planning approach which still dominates much of our development efforts. Projects have been the principal instrument of the Bank as well as other agencies. They are place- and time-specific, and their strengths are also weaknesses. They focus on specific population groups or geographical areas, they are segmented units of intervention which often bypass existing structures, and they tend to develop atypically. In my opinion, one of their main weaknesses is that they are often run like isolated efforts, and, consequently, they

are often "over-run" or undermined by external forces (cf. the sand dune example).

Also, we know by now that the long-term sustainability of projects depends on the active involvement of the poor themselves. This is particularly true in projects where infrastructure requires maintenance or where the poor are expected to assume an expanding share of recurring costs. Yet the Bank is on far more familiar ground dealing with targets than with participants. Many of its rural development projects seem to limp along weakly or disappear when external subsidies end because the projects are unable to mesh with complementary grassroots organizations that allow the poor to invest in and fully benefit from the project (cf. also Annis, op.cit.:93.). I will return to this below.

Poverty alleviation, then, like so many other rural and urban problems in the Third World today, cannot be met and solved without our trying to come to terms with the (often) very complex causal relationships involved in its maintenance. Only then can we start to identify key interventions for its alleviation. There is unfortunately a tendency, however, to produce long lists of the problems facing developing countries. But as long as they remain like sandwich menus rather than as coherent statements about the interconnections between various elements (be they population, labour, technology, prices and so on), they are rather useless for planning purposes. False theories lay the ground for wrong interventions. Nothing is more practical than a sound theory.

If these are some of the important requirements, what, then, about the role of the Bank? Obviously it must be very important - in terms of its enormous resources, its ability to use leverage, and its highly qualified staff. However, I think there are a number of limitations in the way in which the Bank presently works.

For one thing, it may be seriously questioned, as it was yesterday, whether the Bank has the manpower to deal with the social, human and ecological dimensions that it regularly announces it needs to deal with. The Bank remains, as ever, dominated by economists, engineers, lawyers and financial analysts. According to Annis, among its more than 3000 professionals, the Bank employs f.ex. only one sociological advisor, one full-time professional ecologist, one (until recently) full-time specialist in women in development, and, curiously, one person who spends half his time encouraging attention to poverty issues (op.cit.: 102). One might argue that the Bank is able to recruit all those non-economists as expensive consultants. That is true, and the Bank does so regularly, but consultants will always remain peripheral persons. If you want to translate a specific commitment into institutional priorities that guide day-to-day decisions, you need the crucial expertise and competence inside your organization, not on the outside.

Secondly, the Bank, as a huge bureaucratic organization, may not be particularly suitable for the kind of flexible, participatory and learning approach to planning which is particularly required of us when working with rural development or acting directly on the problems of the poor. The very cumbersome procedures it uses when preparing project documents may also not be conducive for such programmes. Obviously this does not mean that the Bank should stay away altogether from funding such ventures, only that one probably needs to investigate, develop and use a whole series of alternative structures as mechanisms which do not create centralized bureaucratic structures (NGOs are one example.)

Thirdly, if poverty is linked, as we know it is, to existing political systems, it follows that poverty alleviation often will depend on rather far-reaching political changes. It seems to me that the Bank has been somewhat evasive on this issue. It is clearly willing to use its leverage for certain purposes - for

example, liberalization, or increasing the amount of foreign capital; then I cannot (like Brett 1986:82) see that they can legitimately say that they should not use their leverage for extracting from government f.ex. a massive land distribution process, particularly if it clearly would have major positive effects on the balance of payments problem. Conditionality is of course a hot issue by itself, but I do not see a clear dividing line between economic conditionality of the arm-twisting type on the one hand and trying to influence political processes on the other hand. One affects the other and there is only a continuum between them.

Somebody might say, in response to this kind of discussion, that the Bank should embrace its new role as a manager of the World economy and play down its role regarding poverty alleviation. The Bank is a bank, we need it as a bank, we definitely do not want it to be run by ecologists or anthropologists, and it should be concerned with macro-economics rather than running small-scale projects for poor farmers where it has no comparative advantage.

There would seem to be two answers to this. For one thing, the Bank has found that poverty oriented projects are often cost-effective, socially equitable and economically viable; that the poor are not less reliable borrowers than the non-poor, and that investments in poverty alleviation and human capital formation are not less productive than investments in infrastructure, energy, or industry (cf. Annis op.cit.:90). Poverty alleviation, then, can be seen as a fully bank-like activity that requires no special justification on humanitarian grounds.

My second point, though, is more important. It follows from my argument earlier, where I used the Sahel as an example, that it is impossible to separate "macro"-issues from "micro"-issues, just as it is impossible to fully separate political from economic issues. They are of course closely related, interwoven and continuously and mutually affect each other. If we briefly

consider the conditionality which has been applied in the 1980s, it is normally a package which focuses only on macro-aggregates, leaving their distribution largely to be determined by the normal political and economic system. But macro-aggregates emerge, in the final instance, as the result of a multiplicity of decisions by individuals, households, bureaucracies and companies. It is not simply the sum, however, of all those decisions. In order to aggregate the behaviour of such micro-units, we must understand how they partly cancel each other out, partly destroy each other, partly stimulate and reinforce each other.

Any policy which fails to take such processes into account - which fails to take into account the particular political and social environment within which policies are implemented - are likely to have a high failure rate. The desirability of particular policy instruments and institutions must depend on a non-dogmatic view of the workings of an economy and society and the causal mechanisms involved; and the social and political realities need to be incorporated into the design of any programme, whether it is mainly concerned with macro-economic measures or regional/local interventions. The goal of development is often a macro-level goal concerned with aggregate output, collective institutions, and systems of organization. Yet only if we understand the interconnections of micro- and macro-levels can such goals be predictably reached.

I see several weaknesses here and a number of problems related to the Bank's present work, but we are dealing with areas where the Bank will continue to play an important role in the years ahead.

Based on the above considerations, it seems to me that one of the main functions of the World Bank is to create large umbrellas under which local efforts thrive and decisions rest in the hands of those who must bear their consequences. I am uncertain about the extent to which it should, so to speak, compete with other, smaller organizations in doing jobs it may not be particularly

suitable to do. But of one thing I am certain: in order to create those umbrellas, the Bank needs the kind of competence which follows from my discussion above.

REFERENCES:

- Annis, Sheldon 1986 "The Shifting Grounds of Poverty Lending at the World Bank"; in Feinberg, R.E. et. al.: Between Two Worlds: The World Bank's Next Decade. Overseas Development Council, N.Y.
- Brett, E.A. 1986 "Reaching the Poorest: Does the World Bank Still Believe in 'Redistribution with Growth'?" in World Bank: Recovery in the Developing World - the London Symposium on the World Bank's Role. Washington D.C.
- Wood, D. Joseph 1986 "The World Bank of Tomorrow: Policies and Operations"; in World Bank: Recovery in the Developing World - the London Symposium on the World Bank's Role. Washington D.C.



World Bank Discussion Papers

Nongovernmental Organizations and Local Development

Michael M. Cernea

RECENT WORLD BANK DISCUSSION PAPERS

- No. 1. Public Enterprises in Sub-Saharan Africa. John R. Nellis
- No. 2. Raising School Quality in Developing Countries: What Investments Boost Learning? Bruce Fuller
- No. 3. A System for Evaluating the Performance of Government-Invested Enterprises in the Republic of Korea. Young C. Park
- No. 4. Country Commitment to Development Projects. Richard Heaver and Arturo Israel
- No. 5. Public Expenditure in Latin America: Effects on Poverty. Guy P. Pfeffermann
- No. 6. Community Participation in Development Projects: The World Bank Experience. Samuel Paul
- No. 7. International Financial Flows to Brazil since the Late 1960s: An Analysis of Debt Expansion and Payments Problems. Paulo Nogueira Batista, Jr.
- No. 8. Macroeconomic Policies, Debt Accumulation, and Adjustment in Brazil, 1965-84. Celso L. Martone
- No. 9. The Safe Motherhood Initiative: Proposals for Action. Barbara Herz and Anthony R. Measham
[Also available in French (9F) and Spanish (9S)]
- No. 10. Improving Urban Employment and Labor Productivity. Friedrich Kahnert
- No. 11. Divestiture in Developing Countries. Elliot Berg and Mary M. Shirley
- No. 12. Economic Growth and the Returns to Investment. Dennis Anderson
- No. 13. Institutional Development and Technical Assistance in Macroeconomic Policy Formulation: A Case Study of Togo. Sven B. Kjellstrom and Ayite-Fily d'Almeida
- No. 14. Managing Economic Policy Change: Institutional Dimensions. Geoffrey Lamb
- No. 15. Dairy Development and Milk Cooperatives: The Effects of a Dairy Project in India. George Mergos and Roger Slade
- No. 16. Macroeconomic Policies and Adjustment in Yugoslavia: Some Counterfactual Simulations. Fahrettin Yagci and Steven Kamin
- No. 17. Private Enterprise in Africa: Creating a Better Environment. Keith Marsden and Therese Belot
- No. 18. Rural Water Supply and Sanitation: Time for a Change. Anthony A. Churchill, with the assistance of David de Ferranti, Robert Roche, Carolyn Tager, Alan A. Walters, and Anthony Yazer
- No. 19. The Public Revenue and Economic Policy in African Countries: An Overview of Issues and Policy Options. Dennis Anderson
- No. 22. Demographic Trends in China from 1950 to 1982. Kenneth Hill
- No. 23. Food Import Dependence in Somalia: Magnitude, Causes, and Policy Options. Y. Hossein Farzin
- No. 24. The Relationship of External Debt and Growth: Sudan's Experience, 1975-1984. Y. Hossein Farzin
- No. 25. The Poor and the Poorest: Some Interim Findings. Michael Lipton
- No. 26. Road Transport Taxation in Developing Countries: The Design of User Charges and Taxes for Tunisia. David Newbery, Gordon Hughes, William D.O. Paterson, and Esra Bennathan
- No. 27. Trade and Industrial Policies in the Developing Countries of East Asia. Amarendra Bhattacharya and Johannes F. Linn
- No. 28. Agricultural Trade Protectionism in Japan: A Survey. Delbert A. Fitchett
- No. 29. Multisector Framework for Analysis of Stabilization and Structural Adjustment Policies: The Case of Morocco. Abel M. Mateus and others
- No. 30. Improving the Quality of Textbooks in China. Barbara W. Searle and Michael Mertaugh with Anthony Read and Philip Cohen

(Continued on the inside back cover.)

RECENT WORLD BANK DISCUSSION PAPERS (continued)



World Bank Discussion Papers

Nongovernmental Organizations and Local Development

Michael M. Cernea

The World Bank
Washington, D.C.

Copyright © 1988
The World Bank
1818 H Street, N.W.
Washington, D.C. 20433, U.S.A.

All rights reserved
Manufactured in the United States of America
First printing October 1988
Second printing August 1989

Discussion Papers are not formal publications of the World Bank. They present preliminary and unpolished results of country analysis or research that is circulated to encourage discussion and comment; citation and the use of such a paper should take account of its provisional character. The findings, interpretations, and conclusions expressed in this paper are entirely those of the author(s) and should not be attributed in any manner to the World Bank, to its affiliated organizations, or to members of its Board of Executive Directors or the countries they represent. Any maps that accompany the text have been prepared solely for the convenience of readers; the designations and presentation of material in them do not imply the expression of any opinion whatsoever on the part of the World Bank, its affiliates, or its Board or member countries concerning the legal status of any country, territory, city, or area or of the authorities thereof or concerning the delimitation of its boundaries or its national affiliation.

Because of the informality and to present the results of research with the least possible delay, the typescript has not been prepared in accordance with the procedures appropriate to formal printed texts, and the World Bank accepts no responsibility for errors.

The material in this publication is copyrighted. Requests for permission to reproduce portions of it should be sent to Director, Publications Department at the address shown in the copyright notice above. The World Bank encourages dissemination of its work and will normally give permission promptly and, when the reproduction is for noncommercial purposes, without asking a fee. Permission to photocopy portions for classroom use is not required, though notification of such use having been made will be appreciated.

The complete backlist of publications from the World Bank is shown in the annual *Index of Publications*, which contains an alphabetical title list and indexes of subjects, authors, and countries and regions; it is of value principally to libraries and institutional purchasers. The latest edition of each of these is available free of charge from Publications Sales Unit, Department F, The World Bank, 1818 H Street, N.W., Washington, D.C. 20433, U.S.A., or from Publications, The World Bank, 66, avenue d'Iéna, 75116 Paris, France.

Michael M. Cernea is the sociology adviser in the Agriculture and Rural Development Department of the World Bank and has been a member of the World Bank-NGO Steering Committee since 1982.

Library of Congress Cataloging-in-Publication Data

Cernea, Michael M.

Nongovernmental organizations and local development.

(World Bank discussion papers ; 40)

Bibliography: p.

1. Non-governmental organizations. 2. Economic assistance. 3. Community development. I. Title.

II. Series.

HC60.C438 1988

361.7

88-27971

ISBN 0-8213-1148-4

A B S T R A C T

Recent years have witnessed the explosive emergence of nongovernmental organizations (NGOs) as a major collective actor in development activities. Although NGOs are not a novel social phenomenon, the proportions, scale and pace at which NGOs have been multiplying and expanding, the new functions and roles they are taking up, and their increased sophistication and mobilization capabilities represent new and significant trends.

Social development at the local level is the broadest arena within which NGOs provide their contribution. This paper discusses five sets of issues relevant to NGO's contribution and strategic issues for NGOs' future development.

The first part identifies three characteristics of current NGO growth: expansion of their numbers and constituencies; broadening functions; and more complex internal institutional structures.

Section two deals with international resource transfer through NGOs for development purposes. It is argued, however, that despite the growing flow of financial resources for development that is channeled through NGOs, the mainstay of NGOs' contribution to development is not financial, but organizational. The essence of the NGOs' approach is not to financially induce development, but to organize people into structures for group action.

The paper's third section discusses the nature, functions and types of NGOs vis-a-vis the local government and the state. A category of "economic NGOs" is identified within the typology of grassroot organizations, as being most closely related to the economic/productive activities of their membership and their needs for various kinds of services.

The fourth section analyzes the main patterns of NGO strengths and weaknesses in working for local development. NGOs' capacity for outreach to the poor is emphasized, and such constraints as the limited replicability of NGO activities, limited self-sustainability, limited capacity for technical analysis and lack of a broad programming strategy are discussed. Several substantive areas of NGO activity at the local level are delineated and their potential roles in natural resources management are emphasized. The dilemma between the small scale of NGO activities and the need for large scale impact is discussed.

The fifth section discusses how international and bilateral development agencies can work with NGOs and strengthen

their role, in light of the World Bank's recent experiences in cooperating with them. Four main areas are delineated: operational collaboration; development education; policy dialogue; and public policy frameworks for NGOs. The recent (August 1988) policy guidelines issued by the World Bank to direct its work and collaboration with nongovernmental organizations are summarized here.

The final section outlines two strategic issues for further NGOs development: organizational build-up and the need for favorable policy and administrative environments.

ACKNOWLEDGMENT

An earlier version of this paper was presented and discussed in the International Symposium on Local Social Development, organized by United Nations Center for Regional Development in Yokohama, Japan, in March 1988.

I am pleased to acknowledge with gratitude the assistance and comments received during the preparation of this paper from David Beckmann, Ruth Cernea, Kamla Chowdhry, John Clark, P. Davies, Scott Guggenheim, D. Hellinger, A. Kozlovski, Hidehiko Sazanami, and Vijay Vyas. Thanks are expressed to Gracie Ochieng, who processed the successive drafts of the paper.

TABLE OF CONTENTS

I.	THREE CHARACTERISTICS OF NGOS GROWTH: INTRODUCTION	1
II.	INTERNATIONAL RESOURCE TRANSFERS THROUGH NGOS	5
	Financial Flows	5
	Organizational Capacity Building:	
	Putting People First.....	7
III.	NGOS AS GRASSROOTS ORGANIZATIONS	9
	Location, Origin and Content	9
	NGOs as Actors in Local Development	11
	Economic NGOs	14
IV.	PATTERNS OF NGOS' STRENGTHS AND WEAKNESSES.....	17
	Comparative Advantages	17
	Comparative Limitations	18
	Substantive Areas for NGO Activities	21
	Social Organization for Resource Management	23
	The Small Scale-Large Scale Dilemma	25
V.	INTERACTION BETWEEN LOCAL NGOS AND INTERNATIONAL DEVELOPMENT AGENCIES: THE WORLD BANK'S EXPERIENCE	27
	Operational Collaboration	29
	(a) Population, Health and Nutrition Projects....	30
	(b) Involuntary Resettlement	33
	Development Education	37
	Policy Dialogue	38
	Public Frameworks for NGOs	39
	World Bank Policy for Collaboration with NGOs	42
VI.	STRATEGIC ISSUES FOR LOCAL NGO DEVELOPMENT	49
	Organizational Build Up	49
	Policy and Administrative Environments	50
	Notes	53
	References	57

NONGOVERNMENTAL ORGANIZATIONS AND LOCAL DEVELOPMENT

"The vast majority of the [NGO] bodies are national or local in nature, and a successful transition to sustainable development will require substantial strengthening of their capacities. To an increasing extent, national NGOs draw strength from association with their counterparts in other countries and from participation in international programmes and consultations. NGOs in developing countries are particularly in need of international support - professional and moral as well as financial - to carry out their roles effectively...

Governments should establish or strengthen procedures for official consultation and more meaningful participation by NGOs in all relevant intergovernmental organizations."

OUR COMMON FUTURE: The Bruntland Report.
World Commission on Environment
and Development (1987)

I. THREE CHARACTERISTICS OF NGOS GROWTH: INTRODUCTION

The historical period we live in is one in which the dominant role of government agencies in the planning of development activities is firmly established, and growing. Yet in recent years we have witnessed the explosive emergence of nongovernment organizations (NGOs) as a major collective actor in development activities and on the public agenda in general. This is a significant political, social and economic, trend. Within the traditional areas of encounter between the state and the people, this new actor is asserting himself with increasing force.

NGOs are by no means a novel social formation, a "product" of the 70's or the 80's. Such organizations have

existed for longer than most governments, even if NGOs were then known by other names.

Taking a closer look, however, there are at least three characteristics of the recent NGO development that are new:

First, the scale and pace with which organizations of such nature have been multiplying and expanding during the last 10-15 years, both in numbers and membership, have no match in past development. Numerous NGOs have come to life in both developed and developing countries in virtually all areas of public endeavor and are active on either local or national interests;

Second, old nongovernmental organizations have taken up functions that are new for them, adding development-oriented and production-support activities to their traditional concern for relief and welfare (e.g., agricultural development work by charity organizations; religious groups militating for secular causes; new environmental concerns; etc.). Thus, NGOs assert themselves powerfully much beyond their zone of traditional specialization, including domains conventionally regarded as the exclusive prerogative of the government;

Third, NGOs, in particular the poor people's organizations, have become internally more sophisticated and better organized, more aware of their power, and thus have increased their militancy and mobilization capabilities. This strengthening of their internal organization has been complemented by a trend towards establishing linkage systems among NGOs. Webs and networks of NGOs are being created where before only discrete NGOs existed, and coordinating bodies or NGO councils and federations have been established at national levels, particularly in the countries of the South.

The recent explosive growth of nongovernmental organizations^{1/} does not mean, however, that their potential has already peaked, the same way, for instance, the community development movement in India reached its apogee in the 50's and 60's. The NGO curve is still rising.

Nongovernmental organizations can be arrayed along a broad spectrum that ranges from strong to very fragile and weak; from international and central to local and peripheral; from very large and federated to small and isolated, from durable and growing to ephemeral and short-lived. Twin processes are at work now: an inner-oriented one by which NGOs are striving to overcome structural weakness, dispersion and amorphousness within their own house, and a parallel outer-oriented process, by which NGOs are learning to contribute more effectively to the broader societal goals they pursue.

A widening international discussion about their prospects, constraints, weaknesses and strategic objectives is being fuelled by the very growth of NGOs. Where to go now? How can their fragility, small scale, and lack of replicability be overcome? How can their voluntary nature be reinforced and how can voluntarism as a major resource be expanded? Which are the areas of comparative advantage for NGO activities? How can they confront and overcome political obstacles? How can new relationships with international development organizations be formed?

Some of these widely discussed questions will be touched upon in this paper.

Local level social development is the broadest arena within which NGOs provide their contribution. The present paper will address several key issues relevant to NGO's local contribution, as well as strategic questions pertinent to future NGO

development. The paper's next section will deal with international resource transfers through NGOs for development purposes and the relationship between NGOs' financial and organizational contributions; the third chapter will discuss the nature of NGOs as grassroots organizations, particularly the production-related and economic NGOs, and their function vis-a-vis the state and local governments; the fourth will analyze the main patterns of NGO strengths and weaknesses for local development; the fifth section will explore how international and bilateral development agencies can work with NGOs and strengthen their role, in light of the World Bank's recent experiences in, and new guidelines for, cooperating with NGOs; finally, the sixth section will outline some strategic areas and issues for expanding the organizational capacity of NGOs and their impact on development.

II. INTERNATIONAL RESOURCE TRANSFERS THROUGH NGOS

A key factor, but definitely not the only one, that has contributed to the enhanced recognition given to the NGO movement is the increased role played by international and national NGOs in raising private funds for development and channelling them to developing countries.

Financial Flows

Table 1 shows that over the 1970-1985 period, NGO yearly disbursements for development in the third world increased from an estimated \$0.9 billion US\$ in 1970 to \$1.4 billion in 1975 and to \$4 billion in 1985. The bulk of this amount (about three quarters) represents private funds raised by the NGOs themselves, due to their development information and education work in advocating private voluntary contributions.

In an era of declining financial resources available for development purposes in most debt burdened third world countries, the incremental resources supplied by NGOs are particularly valuable. At present, over 2,200 NGOs mobilize financial and human resources in DAC member countries^{2/} for projects they operate directly or in partnership with countless associations and groups in developing countries (OECD, p. 72).

At the same time, the major donor governments of OECD countries have allocated a fraction of their official development assistance (ODA) to NGOs for use in NGO-initiated activities. This fraction has increased eleven times between 1975 and 1985 to a total of \$1.1 billion, although in 1985 this amount decreased in both absolute and relative terms, compared to the prior year (1984). We will discuss further in this paper the significance of the increased allocations of official aid funds for NGO use. But it is to be noted that even without counting the government

allocations, the private funds raised and used by NGOs came to represent in 1985 a full 10 percent of the ODA funds provided by OECD countries.

Table 1

The Financial Contribution of Nongovernmental Organizations
to Development Assistance 1970-85

(US\$ billion, at current prices and exchange rates)

	1970	1975	1980	1983	1985
Flows through NGOs					
Private grants	0.9	1.3	2.4	2.3	2.9
ODA contributions	<u>N.A.</u>	<u>0.1</u>	<u>1.0</u>	<u>1.3</u>	<u>1.1</u>
Total disbursements	N.A.	1.4	3.4	3.6	4.0
Development assistance					
DAC ODA - net	6.9	13.8	27.3	27.5	29.6
Private grants - net	<u>0.9</u>	<u>1.3</u>	<u>2.4</u>	<u>2.3</u>	<u>2.9</u>
Total	7.8	15.1	29.7	29.8	32.5
Percentage of GNP:					
ODA	0.34	0.36	0.38	0.36	0.35
Private grants	0.04	0.04	0.03	0.03	0.04
Other:					
Developing countries' current account deficit (US\$ billion)	N.A.	57.1	129.3	97.5	80.0
NGO disbursements as percentage of current account deficit	N.A.	2.5	2.6	3.7	5.0
ODA contributions to NGO as a percentage of NGO distributions	N.A.	7.1	29.4	36.1	27.5
ODA contributions to NGOs as a percentage of ODA	N.A.	0.7	3.6.	4.7	3.6

Source: DAC/OECD (1987) Paris/van der Heijden

Increased financial resources did not come without problems; on the contrary, difficult questions started to be raised about NGO independence, about geographical allocation of resources, about interference in the NGOs own agenda and approaches, about priorities, etc. These are important questions (see, in this respect: Dreesmann, 1987; Smith, 1987; van der Heijden, 1987; Hellinger, 1988; Gordon-Drabek, 1987) but they are not the object of the present paper; various sections of the NGO community are currently engaged in re-examination and discussion to provide their own answers to these often difficult questions.

Organizational Capacity Building: Putting People First

Despite the considerable increase in the volume of financial flows channeled through NGOs, it is, however, beyond any doubt that the mainstay of NGOs contribution to development is not financial, but organizational.

The organizational capacity that comes to life through NGOs and becomes engaged in development action represents its fundamental strategic resource and crucial contribution. While important, financial resources in themselves are not everything. Often they are quite a secondary factor in triggering genuine development.

The essence of the NGO approach is not to induce development financially, but to mobilize people into organized structures of voluntary group action for self-reliance and self-development. NGOs themselves are one expression of such voluntarism incorporated into organized structures. In turn, NGOs mobilize voluntarism further, thus amplifying the social energy put in the service of people's self-development.

The first and foremost NGO emphasis is on purposively organizing people for reaching their common objectives. This

way, NGOs are "putting people first" in their work as a methodology and as a goal (Cernea, 1985, 1987b), particularly the poor groups, and are themselves an embodiment of this principle. They organize people to make better use of their own local productive resources, to create new resources and services, to promote equity and alleviate poverty, to influence government actions towards these same objectives and to establish new institutional frameworks that will sustain people-centered or actor-centered development.

The NGO priority on first organizing the people embodies a philosophy that recognizes the centrality of people in development policies and action programs and the importance of self-organization. This is often tantamount to a reversal of the conventional approaches that focus on technology alone, or on financial resources alone, and deal with people virtually as an afterthought. Putting people first is a reversal because it means taking a social-capacity building starting point in the very thinking, planning for, and organizing of development activities.

The remainder of this paper will therefore explore, in more detail, the various issues and requirements related to NGOs' role and growth as builders of organizational capacity and as social (rather than financial) mobilizers in development work.

III. NGOs AS GRASSROOTS ORGANIZATIONS

In considering NGOs potential as capacity building agents for local development, it is necessary to understand their origin and nature as forms of social organization.

Location, Origin and Content

At first, the term "nongovernmental organizations" seems deceptively simple. But the residual nature of the term itself offers such a broad umbrella for a kaleidoscopic collection of organizations, that attempts at simple definitions are quickly rendered meaningless. It is necessary to recognize that existing NGOs are of several different categories and that their characteristics only partly overlap. The collection is sufficiently heterogeneous to require internal analytical distinctions by various criteria.

By location of NGO activities, a distinction is usually made between international, national and local NGOs. International NGOs are those which represent either a federation of national organizations or a nationally-based organization which defines its area of work as encompassing countries other than the home country. These are often powerful and influential agencies in their own right. National NGOs represent an intermediate level, best understood flexibly as supra-local organizations grouping together a number of local NGO units more or less similar in their objectives, even if they achieve only partial -- rather than full national -- coverage. The immense majority of NGOs, however, are grassroots organizations, that grow out of local communities and are committed to having an impact on their constituents' lives. Making a rather rough approximation, these are usually organizations whose territorial radius stays within the subdistrict level. The local or grassroots NGOs are the main subject of this paper.

By origin, and by activity content, NGOs are again very different and hardly lend themselves to analytical common denominators. They are often typologized as "development", "environmental", "philanthropic", "vocational training", "research", "advocacy", or "emergency aid" nongovernmental organizations. But these compartmentalizations are abstractions and real life bursts out: if one is what one does, the same NGO may fall in several categories at the same time.

Many, probably most, international NGOs did not start as explicit development organizations at all: they were often drawn to development goals after first providing relief in emergency situations, and came to understand that in developing countries relief was not enough. In moving towards new development goals, they do not necessarily have to give up relief or welfare goals. Moreover, there are new NGOs being established these days purposively for relief work, for circumstances that make such work imperative and urgent; such NGOs are as legitimate and deserving of respect as any others, even if they do not inscribe the word "development" on their flag.

While the large majority of NGOs have been created with the objective of asserting the interests of their own memberships, there are also NGOs established by groups of activists who support a certain cause and who create their organization with the explicit goal of helping people other than their own membership. These later NGOs are sometimes called "professional" NGOs, in the sense that working in such activist organizations becomes a full time professional commitment and specialized activity for their animators. Such organizations are often built around various environmental objectives, protection from hunger, help to vulnerable groups, etc.

A significant phenomenon over the recent two decades, now occurring in both developed and developing countries, is the voluntary entry of a growing number of young and technically well-trained specialists, researchers, lawyers, economists, etc.,

into development-related NGO activities. Their professional expertise sharpens the capabilities and impact of these NGOs and is a good expression of what Chambers (1987) calls "the new professionalism" in putting the "poor rural people first" in development thinking. Such expertise and thinking gives added weight and voice to NGOs in their interaction (including their confrontations) with official agencies. Motivated by moral, philosophical, religious, or political values, such skilled professionals either form relatively small but specialized NGO (e.g., a research NGO or an advocacy NGO), or join a large membership NGO. Overall, the recent emergence of such professionals in large numbers within the arena of voluntary action has strengthened NGO work areas like the protection of natural resources and the environment, the promotion of low-cost technologies affordable by the poorer groups, resettlement, the policy dialogue on economic issues between NGOs and the industry or the government, etc.

Altogether, the picture emerging for the overall NGO movement is one of a growing stream which gradually gathers its waters from innumerable affluents of various origin, location, and content, at every turn running into barriers or being constrained by straits, but nevertheless converging into an ever wider flow with multifaceted strength.

NGOs as Actors in Local Development

The two fundamental actors in local development processes are the local governments and the local communities. But "community and bureaucracy are two evidently antithetical styles of social organization" (Robertson, 1984), which serve to distinguish the two major protagonists in planned development: the people and the state. In the interaction between these two actors, NGOs insert themselves not as a third and different/independent actor, but as an emanation and representation of the community (or of a community subgroup).^{3/} Beyond

their various differences, they appear as an organizational response, most often instrumental and sometimes political, of the community or its subgroups, in pursuit of alternative strategies (Padungkarn, 1987) for local social development.

A key question in the developing world is the degree of intervention and control that central governments can and should exercise over development planning in general. This, of course, includes local development planning and administration. As the nation-state is being built and strengthened, and as the power of the center asserts itself ever more strongly over the peripheries, the need to decentralize is in turn felt with increasing force.

Decentralization takes several typical forms: (a) deconcentration; (b) delegation to semi-autonomous or parastatal agencies; (c) devolution to local governments; and (d) transfer of functions from public to nongovernment institutions or joint exercise of such functions (Rondinelli, 1981; Cheema, 1983). Against this background, it is clear that the natural evolution of the state and local government in the developing world creates room and indeed calls for increasing the role played by nongovernment bodies in local development, local planning, local service delivery and local administration.

Over the last 10-15 years, Third World countries have become the central stage on which new nongovernmental organizations have appeared the fastest. They join other, traditional forms of local associations that still survive. Their organizational cohesion varies, but strong or loose, formal or informal, as they may be, they represent an organizational response to the needs of their constituents and to the governmental patterns of managing or servicing development and administrative requirements. Whether or not they will be able to parcel out new territory for themselves within such decentralization processes depends on their strength and skills, on the way their own

genesis has stamped their nature and goals, as well as on the political attitude of governments.

In tracing the genesis of this new kind of organization, NGO representatives point to causes that are quite different in nature: (a) societal conflict and tension; (b) the need to respond more effectively to crisis situations or new demands when traditional structures break down or become unresponsive; (c) ideological and value differences with the powers-that-be in development planning and implementation; (d) the realization that neither government nor the private business sector has the will or capacity to deal with certain acute socioeconomic problems; or (e) the determination to help people at the grassroots to get organized and involved in ongoing governmental development programs. (Garilao, 1987; Padron, 1987)

Many such associations are also organized as adaptive mechanisms for people transplanted from one social context to another, such as migration from rural to urban areas. This adaptive role is, for example, widely documented in the anthropological literature for Asia and Africa.

Keeping in mind the many different causes for NGOs' birth helps explain the differences in their nature and organizational behaviors, as well as the different patterns of government reactions to NGOs.

Some definitions currently in circulation about NGOs are narrow and sectarian. They overlook an outstanding aspect of NGOs: their enormous variety and the differential capabilities of the extended NGO family. Third World NGOs (sometimes also called Southern NGOs) are not a mirror image of First World NGOs (sometimes called Northern NGOs). Voluntarism in association is a key organizational characteristic of all NGOs, but many NGOs, particularly those that pursue a special interest of their own membership, do not describe themselves simply and only as voluntary agencies. This fact makes the concept of "private

voluntary organizations" (PVOs), that is often used in the United States as a synonym, somehow more restrictive than the broad term NGOs. The voluntarism that is a cornerstone of such nongovernmental organizations is not in conflict with the fact that they pursue a specific general interest or a group interest of their membership.

Economic NGOs

The sociological concept of "voluntary associations" applies to NGOs in developing countries, but sometimes this concept is defined by sociologists in a narrow manner, so as to include the "not-for-profit" characteristic. This restriction is disputable. For some voluntary organizations created with the purpose of helping constituencies that are largely outside the organization, the "not-for-profit" characteristic may be regarded as definitional. However, for nongovernmental voluntary organizations that aim to provide a service to their own group membership, -- often a production related economic service -- the "not-for-profit" characteristic is inadequate and exclusionary. In fact, a strong tradition in the anthropological/sociological literature defines voluntary associations as "common-interest associations" (Kerri, 1976). The definitions that I call narrow (and the international agencies which are using them) inadvertently leave out the grassroots economic associations of people on the grounds that these cannot be described as "not-for-profit" because they pursue an economic interest of their membership. Some studies of voluntary organizations similarly exclude⁴/ many voluntary economic associations of people from their purview on the grounds that they pursue economic objectives. Those definitions that I regard as narrow would also not consider peoples' cooperatives (e.g., marketing co-ops, credit co-ops, etc.) as NGOs because they are set up to protect and generate economic benefits for their members.

In my view, because these and similar types of service-oriented and production-related organizations are clearly

nongovernmental they should not be defined out of the concept. As a generic name, they could be called economic NGOs, in the sense that they directly support people's productive activities. These economic or production related NGOs include the water users societies found in many countries, grazing/pastoral associations, credit and consumer cooperatives, milk collection and processing co-ops, farm equipment purchase or lease associations, tree-grower associations, fishermen cooperatives, and so forth. These organizations are probably more crucial for local development, for promoting "self-reliance as a strategy for development" (Galtunig and assoc., 1980) or for facilitating "assisted self-reliance" (see Uphoff, 1988) than the charitable associations (important as these undoubtedly are); they are more instrumental in generating economies of scale, in engendering collective concerted actions, in resource mobilization, more adequate for receiving outside support/assistance and for channeling and distributing it equitably, as well as for cultivating group awareness and solidarity. Institutionally, such NGOs perform not just "delivery" functions but mainly "enabling" activities (Vyas, 1988).

The pursuit of an economic goal is a powerful incentive for people to organize themselves for coordinated action. The resulting organization, caeteris paribus, may be as legitimate an NGO as is one which pursues noneconomic objectives.

The above distinction, far from being just a conceptual subtlety, leads to another consequential conclusion: the relationships to be established between government agencies or international aid agencies, on the one hand, and the various categories of local/indigenous or international NGOs on the other hand, must vary accordingly and must be built on what each type of NGOs can do best.

It is correctly emphasized (Annis, 1987a; Padron, 1987) that the diversity of NGOs found within developing countries warrants other, more refined distinctions as well. For instance,

as suggested in the previous section, some researchers make a distinction between the organizations they call NGDOs (nongovernmental development organizations), that in third world countries cater to the needs of the grassroots sectors, and the GROs (grassroots organizations) which actually comprise the people at the grassroots; others (Uphoff, 1986; Esman and Uphoff, 1984) suggest a distinction between "membership organizations" and "service organizations".^{5/} Together all these various attempts to categorize such organizational forms in light of their manifest functions point to their common essence: the underlying advance in the degree and specialization of people's social organization.

The self-aggregation of people into economic NGOs magnifies their capability to reject paternalistic interventions, to act for their own development and to assert themselves as organized and power wielding groups in the dialogue with local governments. In the post-colonial situation of most third world countries, the massive appearance of grassroots economic NGOs is such a significant trend on their social landscape because it follows or parallels the establishment of local (elected or appointed) government and of local branches of central-state agencies in these countries. The obvious implication is that local government bodies are not seen as the only, or necessarily the best, exponents of the local people. NGOs are germane to the issues involved in local (and general) development because they articulate and multiply the capacities of mostly powerless rank and file individuals and slowly but gradually increase their bargaining power as groups.

A key question for the post-colonial situation is who is extracting the surplus from rural areas, from whom, and how. The growth of grassroots NGOs may still be an incipient process, but it reflects a shift in power articulations. They can only lightly, if at all, influence the outcome of current resource allocation and surplus extraction processes, but they may gradually put their membership in a more favorable position to do so.

IV. PATTERNS OF NGO STRENGTHS AND WEAKNESSES

How effective can NGOs be as a patterned alternative to government intervention in development activities? What are their comparative advantages? Answering these questions in an empirical, rather than in a conceptual/hypothetical manner is important for both approaching immediate tasks in local development and defining strategic orientations for strengthening NGOs.

While skepticism about NGO effectiveness is gradually decreasing, there are many contradictory views about the comparative advantages or weaknesses of NGOs. These views range from quasi-denial of NGO effectiveness to hyperbolic exaggeration. An empirical assessment study sponsored by AID (Hursh-Cesar and assoc.) on the development effectiveness of private voluntary organizations (PVOs) in four sectors (health; nutrition; water supply; sanitation) has derived two sets of conclusions about the typical "strengths" and "weaknesses" of these organizations as a program vehicle for development work.

Comparative Advantages

The main NGO strengths identified are the following:

- (a) Capacity to reach the rural poor and outreach to remote areas. Although NGOs work in both urban and rural areas, they tend to focus on poorer communities that have few basic resources or infrastructure, often located in hardly accessible places, where government programs either are limited, don't exist, or are ineffective.
- (b) Capacity to promote local participation. NGOs are often themselves part of the population whose involvement is sought. If they come as outsiders

to the given area, they tend to develop bonds with the people they serve: they work with community groups as partners, emphasizing local self-help initiatives and local control of programs.

- (c) Capacity to operate on low costs. The largely voluntary nature of NGO activities, their commitment to use low cost technologies and streamlined services, and low staff costs, enable them to operate efficiently on low budgets.
- (d) Capacity to innovate and adapt. Being rooted in the communities they serve and oriented towards promoting initiatives, NGOs have a comparative advantage in identifying needs and building upon existing resources. More flexibly than government services, they can transfer technologies developed elsewhere and adapt them to local conditions, as well as work out innovative responses to these local needs.

Comparative Limitations

The main weaknesses identified by the same empirical study in NGO activities are:

- (a) Limited replicability. Many NGO sponsored activities are too small and localized to have important regional or national impact. NGO activities depend on a highly motivated and culturally sensitive staff, and where staff intensity and motivation cannot be replicated, the activities themselves cannot be replicated.

- (b) Limited self-sustainability. Many NGO sponsored projects are not designed so that in the future they can sustain themselves with little or no outside aid to the beneficiary communities.
- (c) Limited technical capacity. Local NGO projects are still often initiated with insufficient limited technical feasibility analyses and weak data bases. This is often the result of their lack of sufficient managerial or economic staff/skills, which is understandable given the circumstances of many NGOs, yet affects their overall results.
- (d) Lack of broad programming context. Although it may vary by region or sector, NGO projects often are implemented individually, not as part of a broader programming strategy for a region or a sector. Often NGOs carry out their initiatives and projects individually and relatively or completely unconnected with other NGOs or programs, a tendency that hinders the establishment of country-wide or region-wide programs.

The very nature of NGOs as voluntary organizations is both a source of strength and of certain limitations; and the activities for which they are best fitted must be selected with a realistic sociological understanding of what can be best accomplished through voluntary endeavor. It is important, and not belittling to analyze the weaknesses of NGOs, precisely because altogether they are going through a period of impressive organizational growth which they could steer towards overcoming these problems. Insightful observers have noted that NGOs are so frequently lost in self-admiration that they fail to see that even the strengths for which they are acclaimed can also be serious weaknesses (Annis, 1987): for instance, in the face of pervasive poverty, "small scale" can merely mean "insignificant";

"politically independent" can mean "powerless" or "disconnected"; "low cost" can mean "underfinanced" or "poor quality"; "innovative" can mean simply "temporary" or "unsustainable".

Not everybody agrees in regarding the strengths and weaknesses indicated above as general. Indeed, some specific NGOs, or some of their projects, may already have overcome those general weaknesses and are no longer prone to them. It can be also argued that the contribution of NGOs should not even be expected to come from unlimited replicability, since the NGOs themselves are so different in nature, structure, size and purpose that they must not carry out similar activities; rather, the contribution of NGOs may come primarily from the multiplicity of their activities, from their ubiquity and ability to trigger many individual, albeit idiosyncratic, initiatives, which exert influence in a cumulative manner. This, too, is a valid, factual argument.

On the other hand, competent evaluators point out that in many projects NGOs, despite their efforts, do not or will not reach the poor majority. Upon inspection, many NGO projects turn out not to be participatory despite their rhetoric, and involve "enlightened" top-down control by the NGOs themselves, sometimes along with control of decisions by local elites (Tendler, 1982). But these are not intractable problems either.

The essential conclusion, in my view, is that the recognition of the key contribution that NGOs can and do make should not be accompanied by the mistake of idealizing them. NGOs have great potential, but they are not the ultimate panacea to the contradictions and difficulties of planned change and induced development. An objective approach to the limitations and weaknesses of NGOs is required for strengthening their own structures and performance, as well as for making their activities technically and economically sounder, and more replicable.

Substantive Areas for NGO Activities

At the local development level, the areas in which NGOs could make their strongest contributions are specifically the areas in which either local government intervention is weak or nonexistent, or is present but done in a manner that dissatisfies the local population or some of its subgroups. There are three basic types of small scale projects that NGOs can undertake:

- (a) small production oriented projects (e.g., the establishment of a tree nursery by a women group; or the construction of a small tank irrigation system, etc.);
- (b) production support service projects (e.g., building village/group storage facility or a road, setting up a village to market transportation service, etc.); and
- (c) social service projects (e.g., a health room or community hall, creating an ambulance service, building a sports terrain or a house for a teacher, etc.)

Another way of classifying the key activity areas at the local level into which NGO can make their contributions selectively, was suggested by Uphoff (1986), who distinguished five domains: (a) natural resource management; (b) rural infrastructure; (c) human resource development; (d) agricultural development; and (e) nonagricultural enterprise. These all are areas requiring local institutional development both in terms of government decentralized structures and agencies, and in terms of people's nongovernmental associations. NGOs may carve out for themselves a distinct "niche" by establishing themselves as an alternative to the role of government institutions -- either as a complementary organization, or as a substitute organization. Of course, this depends also on how the planners of local development, i.e. the local governments, see the NGOs, and whether or not they are ready and receptive to work with the NGOs.

A telling example of what NGOs can do for local development by initiating [one or another type of] such projects

are the accomplishments of the Orangi Pilot Project (OPP), an NGO guided by a charismatic leader and experienced organizer, Akhter Hameed Khan, that works among the people of Orangi, Pakistan. Orangi is the name of a large suburb of Karachi, within which settlement begun spontaneously and rather anarchically in 1965; it grew rapidly after 1972 to more than 100,000 families, and continues to expand. The settlers built their houses without any government help. Most municipal services have been lacking or supplied in an unsatisfactory manner.

As a nongovernmental organization, OPP has chosen not to itself set up welfare clinics or schools or economic enterprises, but to take a "capacity building approach", by concentrating on model building and stimulating community participation (Khan, 1986). OPP considers itself primarily a research NGO; first it studies and analyzes the outstanding problems of Orangi and then, through prolonged action research and extension education, proposes solutions to them. An integral part of their research and education work is to enable people to organize themselves for implementing these solutions (Khan, 1986; Ghafoor, 1987).

OPP has undertaken several model building programs, which touch upon the social services for Orangi and the people's production/income generation activities. These are (a) the program for introducing low cost sanitation; (b) the low cost housing program; (c) the women work centers; (d) the women welfare program; and (e) school education. Low cost sanitation is OPP's oldest project. Started in 1981, the objective was to improve the dismal sanitation and drainage of Orangi neighborhoods, which were the causes of recurrent epidemics, high child-morbidity rates, waterlogging, low house values, etc. OPP's research discovered four "barriers" which explained people's relative passivity and resignation in spite of the abysmal sanitation conditions: the "psychological barrier"; the "economic barrier"; the "technical barrier" and the "sociological barrier" (Khan, 1986). The perceptive understanding of these obstacles led OPP to identify appropriate solutions to energize

the community, to lower the costs of constructing improved sanitation, to carry out surveys and provide the residents with designs, maps, plans, and to carry out training and information activities. OPP worked systematically to remove each of the "four barriers", set up a team of social organizers and a team of technicians, identified the social units (the "lanes" of inhabitants) which would sponsor the construction work and carried out many other "social engineering" arrangements (Ghafoor, 1987; Khan, 1987).

The achievements have been outstanding: between 1981-86 about 28,000 families joined the low cost sanitation program, constructed underground lane sewerage lines with a total of over 426,000 feet, built secondary drains, introduced over 28,400 sanitary latrines, and have themselves invested close to 30 mil. rupees in this development. Whole sectors of Orangi have improved their sanitation dramatically and the demonstration effects are so powerful that the program is being continued in the remaining lanes through the same self-managed and self-financed approach.

Thus, a well guided NGO has succeeded in an area in which the municipality government and agencies simply were not able, organizationally and financially, to provide the needed services. It has had a profound impact on improving the quality of life of the Orangi population. The other programs, particularly the housing program and women's work centers, are achieving comparable results. The lessons of Orangi deserve to be studied in detail: they hold much wisdom and hope for replication in other similar NGO initiatives for local and regional development.

Social Organization for Resource Management

Another priority domain for both NGOs and local governments is the area of natural resources management -- one of

the five domains mentioned above. NGOs can and must support the unorganized or weakly organized poor or small users struggling to acquire control over productive resources.

Poverty eliminates many opportunities for individual farmers acting alone; jointly organized use is not just a virtuous bit of cooperation but an economic necessity. The management of natural resources (e.g., rangelands, forests, lakes with fishery resources, etc.) requires strong social organization capable of enforcing incentives and penalties in order to elicit rational and equitable behavior by individual users. Absence of such patterns of social organization allows open access, which almost always leads to resource destruction and environmental degradation. Technocratic development programs that attempt to stop such degradation only by financing a new "technology" but without putting in place a pattern of social articulation apt to organize people according to the demands of that technology are inevitably doomed to fail. Much too often, management of such common resources by government bodies has not been effective and has left a huge "organizational vacuum" which may be filled effectively by the people themselves, constituting themselves into an NGO.

Discussing the concept of resources for local social planning, Conyers (1986) has observed that the very identification of something as a resource depends not only on that thing itself, but also on the attributes of the potential users, including their knowledge, skills, their status, their access to other complementary resources. Natural resources are only potential resources until a certain form of social organization transforms them from parts of nature into parts of the social production process. Nongovernmental organizations may be an appropriate form of social/economic organization for enhancing people's ability to identify, gain access to, appropriate, or use and manage natural resources such as rangeland, water, trees, fish, etc.

It is, in turn, incumbent upon local development planners, -- in other words, upon the planners acting on behalf of the government -- to include in such plans not only the physical resources for the available capital, but to be equally concerned with the social capacity for managing these resources. In practice, however, local planners rarely recognize the centrality of people in planning, -- in other words, they do not put people first -- are little aware of the critical socio-cultural attributes of the local population (e.g., its stratification, organization, etc.), and take as their starting point the capital and physical resources or constraints.

The Small Scale-Large Scale Dilemma

Probably the most important question that persists about the effectiveness of NGOs is the one regarding the limited replicability of their activities and the intrinsic smallness of their interventions. Can this limitation be overcome? Can micro-level interventions be aggregated on large scale?

It is recognized even by the strongest NGO supporters that the breadth of NGOs' impact is necessarily limited by the location-specific nature of their interventions and the nonstandard, idiosyncratic character of NGOs as organizations. Two strategic options (or perhaps only one option with two complementary sides to it) are available to break out of this dilemma:

- one is that small scale NGO activities could, conceivably, proliferate on such a vast scale as to gain macro significance (i.e., significantly affect development at the regional or national scale) by aggregation, rather than remain a scattering of limited, isolated initiatives. In this scenario, it is further hypothesized that the grassroots NGOs would not only multiply independently of each other, but also interlock into systems and webs of organizations capable of influencing macro-scale processes, affect state policies, mobilize large human resources, develop alliances and networks and

thus wield more power. Based on a study of NGOs in Latin America, Annis (1987b) has argued that such a process is already occurring; his argument starts with asking "how large can small become, ultimately?" and contends that, as a result of the expansion of "webs" of grassroots organizations that have "thickened" and entered in relationships with the public sector, small interventions tend to become institutionalized, reach a larger number of people, transfer more political power to the poor, and create the premises for making small scale change into a development policy for large scale;

- another strategic option for achieving replication of NGOs' small scale initiatives, rather than leaving them confined to their initial locations only, is a gradual linking of NGO activities with administrative or international organizations including (in one form or another) government bodies; this approach can also facilitate and promote some micro-policy reforms (Korten, 1987) with support from official government agencies. Hidden within this option are the risks and trappings of NGO co-optation; yet if linkages are built from a position of NGOs strength and growth, NGO independence might be protected at the same time with increased influence over state policies and administrative environments.

Are such strategic orientations realistic, or simply instances of wishful thinking? Are there other alternatives for breaking out of the small scale-large scale dilemma? These are crucial questions for the future of NGOs and they invite the examination of ongoing actual experiences.

Two areas are particularly propitious for such examination: (a) the interaction of developing country NGOs with the government bodies (national and local) which they attempt to influence, and (b) the interaction of NGOs with large international development agencies and organizations.

In this paper I chose to address mainly area (b), by examining the interaction between NGOs and a large agency as the World Bank. Indeed, if NGOs could influence the policies and actual programs of large scale international organizations like the World Bank, then their contribution and impact can gain a significant multiplier.

V. INTERACTION BETWEEN LOCAL NGOS AND INTERNATIONAL
DEVELOPMENT AGENCIES: THE WORLD BANK'S EXPERIENCE

To be genuinely effective, the development policies and programs to of large international organizations must ultimately be able to cause change at the local level. In this sense, every macro policy and program must by definition be aware of its implications and consequences for local level development. The multilateral or bilateral aid agencies which financially assist such macro programs are therefore bound to interact not only with central governmental agencies but also with the key actors at the local level: local governments, the local communities and, when these exist, their various nongovernmental organizations.

Such cooperation with local NGOs still has a limited record: there are not many fully successful experiences; there are quite a few failures and missed opportunities; and new approaches are ongoing and still being tested. A good deal of the territory is still simply uncharted.

Weaknesses and hesitations have been visible on both sides. The programs supported by international agencies have frequently been conceived and executed in a top-down and paternalistic manner, little informed by an adequate sociological knowledge of the local social fabric. This has proven to be a key reason for failure or underachievement, particularly in poverty alleviation programs. In turn, local NGOs often have not known how, and sometimes did not want, to get involved in joint programs, or how to influence them and contribute to their effectiveness.

It is therefore useful to explore strategies for intensifying such interaction and particularly for enhancing the roles of indigenous NGOs. This is a timely -- maybe even urgent

-- task, since at this moment virtually all multilateral donors, bilateral aid agencies, as well as many international and national NGOs, are expanding their working contacts. Learning processes must be refined at both ends, to overcome past mistakes and carve out new models for cooperation. With a view towards the lessons to be learned, I will briefly review some aspects of the World Bank's interaction with NGOs.

As an international development agency, the World Bank's record in this area is certainly far from optimal. Many Bank-financed development projects have not adequately pursued participatory approaches and the interest in systematically involving NGOs is relatively recent. Empirical evidence of the consequences suffered by Bank-financed projects from not sufficiently involving the grassroots organizations of beneficiaries in these projects has come, inter alia, from the findings of an OED study on 25 Bank-assisted projects which were re-evaluated several years after their completion. The impact evaluations found that 13 out of these 25 projects failed the long-term sustainability test. Among the five main causes that led to lack of sustainability, the one identified by the study as ranking first was failure to involve local grassroots organizations and thus to ensure beneficiaries' participation (Cernea, 1987). Conversely, the same study concluded that when such organizations existed, they acted as enduring structures supporting the project initiated activities long after project completion. They thus became instrumental for long-term project sustainability. Other sociological analyses have corroborated this conclusion with similar findings (Kottak, 1985; Paul, 1987; Uphoff, 1987).

While more or less sporadic cooperation with NGOs took place in the '70s and even earlier (e.g., in urban development projects [Hellinger, et al., 1988]), the World Bank began to develop its relations with NGOs more systematically in the early '80s. In 1982, a World Bank-NGO Committee was established, which

provided a formal coordinating forum and a focal point for the Bank's dealings with NGOs. The multiple activities currently underway can be summed up under four main areas:

- (a) operational collaboration, in projects and programs;
- (b) development education;
- (c) policy dialogue between the World Bank and NGOs, particularly on poverty alleviation and environmental issues; and
- (d) public frameworks for NGOs.

Looking beyond the case of the World Bank's experience, I believe that these four domains may be regarded as key areas (although not the only ones possible) for any general strategy of interaction between official aid agencies and NGOs.

What is the substantive content of these interaction areas, in practical terms? How does this cooperation occur and can it enhance the role of NGOs in development?

Operational Collaboration

The main reason for the Bank's operational interest in NGOs is that NGOs offer a significant and far from fully utilized potential to involve people, particularly the poorest strata, in the processes of development. The Bank's guidelines for project preparation and ex-ante evaluation specifically require that a "sociological appraisal" be carried out at the same time as the economic, technical, and financial appraisal of projects. It must take into account, and rely upon, the local patterns of social organizations (Cernea, 1985; 1987). As discussed in the previous section of this paper, NGOs have a comparative advantage in helping poor people articulate their needs to government officials and to representatives of foreign aid organizations as

well. The programs of foreign agencies can be enhanced by relying on NGOs as sources of local information, inter alia, able to convey people's perceptions, felt needs, priorities.^{6/} NGOs and grassroots organizations are (part of) the people whom the foreign aid-assisted projects attempt to reach. In addition, many NGOs embody considerable general expertise and indigenous knowledge, and a variety of local perspectives on development issues, often with a keen sense of the subtle cultural, economic, moral and environmental aspects.

We will examine below the NGOs' operational contributions in two types of situations: first, within regular Bank-assisted projects in three sectors (health, population, nutrition) which are more usual areas of interaction between the Bank and NGOs; second, within certain less than usual project situations, such as the involuntary resettlement of people dislocated by dam projects from their socio-economic systems. The latter is an area in which NGOs are making an increasingly consequential and welcomed contribution.

(a) Population, Health and Nutrition Projects

Three sectors in which the need for NGO contributions is acute are the programs for population (family planning), health care and nutrition (PHN). While Bank financing flows primarily through public sector channels, the Bank's PHN projects have made significant use of three main alternative resources outside the public sector: mobilization of community support groups; use of community workers; and financing of previously existing NGOs for service delivery.

A systematic review of all Bank-financed PHN projects appraised between 1981 - mid 1987 (Heaver, forthcoming) found that 69 percent of all projects feature community workers and provide support for their training and supervision.

Community support groups have been used in a variety of ways. Most commonly (59 percent of the projects), they have been mobilized to serve as channels for community information, education and communication, aimed at service acceptance. But in 29 percent of the projects, community groups, usually women's organizations and groups of community leaders, were trained at the expense of the project in how to provide education and information to the rest of the population. And in 27 percent of the projects, community groups were involved in providing services: for example, women's groups in Malawi (a 1987 project) are to be trained in health surveillance and in the provision of simple care; in Ghana (a 1985 project) the project was to finance grinding mills for women's groups to produce weaning food. In at least three projects, communities were intended to have a major management and implementation role in the health system. Thus, in Morocco (1985), health management committees were set up to participate in health program planning with the Government and to manage health resources at the local level; in both Peru (1982) and Nigeria (the Imo project, 1987), funds were included in the project to finance small scale health projects proposed and implemented by local communities; and in Nigeria Imo, the Village Health Development Committees were also to undertake health surveillance and identify individuals at high risk of disease. Finally, in 23 percent of the projects, communities were mobilized to provide in-kind or financial support for the government health system; in the Indonesia Fourth Population Project (1985), for example, village volunteers assisted in local health centers, and in the Niger project (1986), project beneficiaries were expected to finance the maintenance of their health centers.

About 21 percent of the reviewed projects provided finance for activities carried out by NGOs already existing and operating in the project areas. Three types of assistance are being given to NGOs: training and materials to assist NGOs to carry out IEC activities, as in the Sierra Leone project (1986) and Lesotho (1985); small amounts of money (US\$0.1-0.5m) for innovative activities to be carried out by NGOs, as in projects

in Zimbabwe, Botswana and Jamaica; and assistance for NGOs to take over and run health centers, as in the Pakistan and Kenya Integrated Rural Health projects. In Bangladesh, family planning activities carried out by NGOs have been financed more substantially: some US\$4 million have been channelled through NGOs.

The findings of that review highlighted three characteristics that place the not-for-profit NGOs in the PHN sectors in a favorable position to complement public health agencies: (a) their ethics and high degree of commitment are a strong incentive to perform despite low wages; (b) NGO self reliance makes most of them dependent on fees from user charges, and if service quality falls the NGOs existence may be threatened; (c) their integration into local communities and flexible management facilitate organizational learning (Heaver op. cit.).

More or less similar involvement of grassroots organizations can be seen in projects in other sectors, primarily in agricultural and urban projects (Cernea, 1981; Beckmann, 1985; World Bank, 1983 to 1987); projects in the "hard" sectors (transportation, other infrastructure, etc.) tend to have a considerably lower frequency of NGO involvement.

Clearly, however, in World Bank activities the recognition of NGO's potential is due not to financial reasons, but specifically to sociological reasons. The increasing recognition of NGOs is part of the growing awareness of the centrality of people in development work, part of the gradual move away from the technocratic/financial bias in conceiving development interventions.

Although the involvement of NGOs in the Bank's projects is noticeably on the increase, to a large extent it is still ad-hoc and dependent on circumstances rather than occurring systematically on the basis of a fully structured policy and set of

normative procedures; the extent and depth of such involvement is also greatly dependent on the policy and openness of the government of one or another borrowing country. NGOs are usually participating as delivery mechanisms or implementors of project components, with a relatively rare say in the very formulation of the project concept and its strategy. A policy-cum-operational statement on the World Bank's collaboration with NGOs, prepared in consultation with a number of NGOs (see ICVA, 1987) was issued in August 1988 (see World Bank, 1988, and further in the paper, pp. 42-47) is expected to broaden and diversify Bank-NGO cooperation considerably.

(b) Involuntary Resettlement

A less usual, but nevertheless frequent type of situation in which NGOs have demonstrated their special potential, occurs when development projects entail involuntary population displacement and relocation (Cernea, 1988): for instance, dam reservoirs which submerge long segments of river valleys, highways which cut across farmers' cultivated lands, etc. The involuntary resettlement of people affected by such projects causes profound economic and cultural disruption, depriving people of their habitats, lands, means of production and sources of incomes. Unfortunately, the compensations and assistance provided by government agencies to the affected people has been in many cases unsatisfactory, including in some of the projects financed by the World Bank.

Nongovernmental organizations have in many instances proven that they are able to take the initiative for effective assistance to people subjected to involuntary resettlement. Historically, some NGOs have even been established as an expression of the need of relocatees from urban and slum areas to get organized, in order to defend their rights better. Some NGOs have flatly opposed any resettlement and the projects that cause

them. Other NGOs have asked for many years for a recognition of their capacity to assist displaced groups, but many governments have strongly opposed such NGO participation. This situation is changing now in many places. The World Bank recognizes the right, capacity and role of NGOs in providing significant help to people displaced, not only in emergencies created by floods, droughts, etc., but also in development-induced relocation. International NGOs -- like OXFAM (UK), the Environmental Defense Fund, Survival International, and others -- have repeatedly criticized poor resettlement performance under Bank-financed projects and have signaled to the Bank cases when resettlement does not proceed satisfactorily. Such signals have proven beneficial as they triggered additional Bank and local government efforts and led to definite improvements in the standards and conditions of resettlement.

A similar positive role is being exercised by some national NGOs. For example, in India the "Centre for Science and Environment", "Myrada", "Avard", and "Lokayan" have carried out in-depth field studies and developed a special expertise about involuntary relocation caused by development projects. Some of these studies have exercised considerable influence over government or donor agency programs related to resettlement.

When involuntary resettlement cannot be avoided, NGOs are well placed, due to their linkages with local communities, to both express resettlers' needs and defend their rights. In the Philippines, for instance, church related organizations helped the Kalinga and Bontoc tribes defend their rights against the displacement planned by the Marcos government for the Chico river dams III and IV under conditions that would have meant the destruction of these tribal societies (Winnacker, 1979). In other cases, (e.g., the activity of the ARCH-VAHINI group in Gujarat, India) NGOs enable the resettling populations to understand better their legal entitlements to replacement land, fair compensation, housing allowances, etc., thus providing a needed

service needed always, and particularly needed when one or another government agency fails to correctly respect these rights. NGOs have played a constructive role helping tribal people articulate their needs and concerns, for example in India's Narmada river projects. In various countries, NGOs have acted on behalf of resettlers by bringing their grievances to court, when necessary. Their role was further legitimized and reinforced when the courts ruled that resettlers' rights had been disregarded and ordered appropriate reprieve. Such actions did create some tension between NGOs and the government agencies at fault, but -- more importantly -- they helped improve the implementation standards of the projects under which such resettlement took place.

The Bank encourages NGOs' participation in the timely preparation of the technical and social resettlement plans that must be included into the Bank-financed projects that cause population dislocation (Cernea, 1988a, 1988b). Such recognized NGO participation is also a relatively recent development, compared to resettlement operations in the '70s or early '80s, and there is scope to expand it considerably in the future. Sociologists and anthropologists who work as project officers or consultants in Bank-assisted projects entailing resettlement (Cernea, 1988c) have provided empirical evidence that an effective approach to broadening people's information on resettlement is to involve knowledgeable local NGOs, on a long-term basis, in preparing relocation plans.^{7/} Based on recent positive experiences, the World Bank institutionally encourages borrowing agencies to cooperate with NGOs when such complex resettlement matters occur and need to be addressed through projects.

Preparing resettlement plans aimed at rebuilding a viable socio-economic base for the re-establishment of displaced people allows NGOs to enter into a negotiating process with the relevant agencies for obtaining adequate support to the

resettlers. In Brazil, for instance, a coalition of local NGOs (the Union of Rural Laborers) played an effective role in defining the content of the resettlement plan that is the centerpiece of the Bank-financed Itaparica resettlement and area development project, approved in 1987.

An interesting example is the preparation of the resettlement plan for the Karnataka - Upper Krishna Irrigation II project. Aimed at resettling over 100,000 people, this plan was prepared by the technical agencies of the state government, but was found by the Bank to be insufficient for proceeding to the appraisal of the project. The appraisal was postponed; the Karnataka state government contracted the help of MYRADA, an NGO specialized in resettlement, to assist in improving this plan. MYRADA started with a sound social survey of the affected population and its needs, assessed the potential for relocation, etc. and prepared a much more complete resettlement plan, in cooperation with the government agencies. Two successive Bank reviews proposed further improvements in this plan, before appraisal could take place, and these were made jointly by MYRADA and the relevant technical agencies. Although state agencies had invited the Bank to appraise the project, the Bank postponed appraisal with over 15 months in expectation of a resettlement plan improved to the standards of the policy requirements. When appraisal finally took place in February 1988, the resettlement plan, with a substantial NGO contribution, offered a much better base for the next project and fully justified both the postponement and the NGO's involvement.

In virtually every case when it was attempted, the involvement of NGO was apt to address better the social and cultural complexities of people's involuntary resettlement. NGOs are also making an exceptional contribution worldwide to the effectiveness of international donors assistance for refugees from natural disasters, or from war and other political turmoil.

Thus, besides the "normal" or regular development project interventions, it appears that institutionalized operational collaboration with NGO in the context of less-than-usual, complex, disruptive, but sometimes unavoidable projects is also at least as effective as any other "normal" activity.

Development Education

A second area of cooperation between the World Bank and NGOs is development education. This effort is directed primarily to the public in advanced industrial countries, in order to increase general awareness about development issues, constraints, objectives, needs, difficulties. The Bank's main partners are, in this domain, the international NGOs and the national and international federations of NGOs. The Bank provides some support to their development education work, participates in national and international NGO conferences, symposia (OISCA, 1986; 1987), and sustains a substantial publication and media program.

International NGOs have become influential in shaping public opinion and sometimes official policies in developed countries; the increased financial resources channeled through NGOs, described in Section II, are one of the results of those activities. Bank-NGO cooperation in development education may help fund-raising efforts both for NGOs and for the Bank's concessionary lending through IDA to the poorest borrowing countries at below market rates.

Less effort has gone, however, into providing direct Bank assistance to development education activities carried out by NGOs in third world countries, and this is definitely an area in which more support is required.

Policy Dialogue

Policy changes are usually more consequential for development than specific projects. Recent experience has shown that NGOs can also influence the policies of large development organizations. Discussions between NGOs and the World Bank on policy issues regarding, in particular, poverty issues and the environment, have contributed to the evolution of World Bank policies in the content of structural adjustment programs (Schuh, 1987; World Bank, 1987).

Partly in response to NGO concern, the Bank has taken a number of steps to sharpen its focus on poverty and to lighten the social costs of adjustment especially by targeting better the support for social expenditures. Compensatory programs are being started in several countries and will benefit poor people adversely affected by adjustment. Some NGOs have argued that what is really needed is a chance for local NGOs, especially organizations of poor people, to influence adjustment policies, not just the small compensatory programs that help cushion the impact of harsh policies.

For several years, environmental NGOs have waged an international campaign to get the World Bank and other multilateral development banks (MDBs) to pay more attention to the environmental aspects of development. Some Bank-assisted projects and policies have been subjected to close analysis and questioning. NGOs have convinced a number of Bank's member governments to join them in asking for increased emphasis on environment (Aufderheide and Rich, 1988). The results have been significant, leading to considerable improvements in some specific projects, to changes in policies and in the internal Bank organizational structure and staff allocation. Specifically, in the environmental field, the Bank has developed its dialogue and collaboration with organizations like the World Resource Institute (WRI), the Environmental Defense Fund (EDF),

the International Union for the Conservation of Nature (IUCN), and others. Even though their criticism of certain Bank-assisted projects has sometimes been harsh, it was received with respect and professional consideration and it has helped the Bank and some of its borrowing agencies become more keenly aware of some projects' implications on vulnerable groups, on resettlement, on nonrenewable resources, etc.

NGOs of developed countries have also successfully used their considerable influence to obtain more Bank, donor and borrower governments' attention to the issues raised by the NGOs of developing countries, thus gaining both public legitimacy and more resources for the resolution of these issues. Such policy and program-related dialogue will continue to be part of Bank-NGO relationships.

Public Framework for NGOs

An important gain for local and national NGOs from their interaction with international organizations is increased legitimacy, visibility and support in their own countries. The Bank has in a number of cases helped establish a favorable public policy framework for NGO activity by giving explicit advice to government agencies in borrowing countries, and direct support for such interaction through Bank-to-Government contacts.

In Bangladesh, for instance, the Bank has strongly supported the reformulation of the Government's policy on NGOs, particularly in the direction of streamlining the administrative and legal framework within which they operate, so as to enhance NGO contribution. An important poverty alleviation project currently under preparation with Bank assistance, is an impetus towards this policy reformulation through the key role given to NGOs.

In Pakistan, as a condition for Bank financing of large-scale on-farm water management projects, the Bank has asked the Government that special national and provincial legislation be issued to establish a legal framework for creating grassroots organizations of water users along each watercourse. Indeed, such legislation was issued before the project became effective; more than 8,000 water users' associations were subsequently established as part of the implementation of the Bank-assisted water management project. Fragile as many still are, these associations are making a valuable contribution to watercourse lining; but they also face growth difficulties -- they tend to remain single task oriented, often lack continuity in their activities and some become ephemeral or fail. Nevertheless, the mass establishment of such grassroots organizations, resulting from a development intervention and facilitated through a government-enacted legal framework, represents significant progress that is apt to expand and yield long-term benefits. In other countries as well, Bank-assisted projects have provided multisided support to the establishment and strengthening of communal water users associations, like in the Philippines (see Bagadion and Korten, 1985) or in Thailand, where a special project started in 1987 to revitalize a number of traditional "people's irrigation systems" that existed in the northern part of the country but were threatened with disruption and disappearance by recent adverse factors.

The Bank is actively encouraging national governments to consider structured NGO participation in Bank-financed projects and to explore new forms of partnership between governmental institutions and the growing numbers of nongovernmental organizations. In several countries (Indonesia, Togo, Kenya, Rwanda, etc.), the Bank has initiated trilateral meetings between NGOs, government agencies and the Bank to jointly examine sectoral or national development strategies. The Bank has started to indicate to governments the value it attaches to drawing on NGO experience and information for improving its own programming and

the quality of the policy positions it takes into dialogue with government; it also underscores the comparative advantage that NGOs have in some cases for assuming responsibility for parts of certain public programs.

This road, however, is not an easy one: more than a few governments (at the political level) and numerous government agencies (at the technical level) oppose formal NGO involvement. They feel directly or indirectly threatened by NGOs growth and empowerment (Berg, 1987) and often react with suspicion and hostility to NGO activities. They may regard some NGOs activities as attempts to subvert government policies and/or as an unwelcome involvement in politics. In turn, NGOs sometimes face the dilemma of accepting some government funds and putting their credibility or full autonomy at some risk; this is why they sometimes decline association with certain programs that have a government imprimatur. In certain contexts, they distrust government agencies on a wholesale basis, fear the power of governments, but they also sometimes fail to see the potential gains to be obtained by giving or getting support through involvement with selected government-assisted programs.

While I referred above primarily to the World Bank, comparable changes and the trend towards more trilateral cooperation are occurring within some other multilateral and bilateral aid agencies (Hirono, 1987). The point of it all is that new patterns of relationship are gradually evolving not only on the local scene, but on the international one as well. These new relationships (a) put NGOs firmer on the agenda of development, and (b) connect more tightly the local level NGOs and the issues of local social development with the trends and processes that govern international aid.

To sum up, the micro-level is increasingly moving into the limelight. This offers new strategic opportunities for many local NGOs. They must still learn the most effective ways to use

them so that they can bring significant incremental benefits to their local constituencies.

World Bank Policy for Collaboration with NGOs

Based on accumulated experiences and on recent general Bank policy documents, an Operational Manual Statement (OMS) was prepared in the Bank on collaboration with NGOs. After consultation with a number of NGO representatives, it was issued in August 1988. This is the first time that such a statement was formulated by the Bank on NGOs, and a summary of its main provisions follows.*

The policy guidelines start by stating a basic premise: that collaboration with and advice from NGOs may benefit the work of the World Bank. The Bank's policy position in this domain is therefore formulated in order to guide staff in advising country governments and their agencies on how to make use of NGOs in Bank-financed programs and in order to help staff understand the advantages and benefits of working with NGOs. The OMS lays down guidelines for handling general issues, formulates procedures for project-related activities and delineates responsibilities for pursuing Bank objectives in fostering the collaboration with NGOs.

* Throughout the summary given in this subsection, indented single-spaced passages are used for highlighting or paraphrasing the key elements of these guidelines. Although OMSs are generally treated as internal Bank documents, that are issued to provide guidance to staff, OMS 5.30 on the Bank's collaboration with NGOs is available for NGOs with which the Bank works.

In defining the NGOs with which it seeks to collaborate, the Bank's policy takes a broad, nonrestrictive position. It refers to

a wide variety of groups and institutions that are entirely or largely independent of government and are characterized primarily by humanitarian and cooperative, rather than commercial objectives. Setting aside terminological and name differences that vary from one country to another, the Bank's policy recognizes the nature of NGOs as private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment or undertake community development. Production-related NGOs are seen as particularly relevant to the Bank's development objectives, and such grassroot organizations include: water users' societies, pastoral associations, consumer and credit cooperatives, farm equipment purchase and lease associations, tree-grower associations and other similar groups. Environmental and emergency relief NGOs are in turn relevant to the Bank's objectives regarding the environment, support for resettlement and reconstruction, etc.

The policy guidelines clearly state that, although the Bank's primary relationships are with governments, collaboration with NGOs can improve the effectiveness of many Bank-supported operations, particularly in terms of increasing the long-term sustainability of development initiatives and alleviating poverty.

Because of the Bank's relationship to its member governments, staff must also respect government policies regarding the involvement of NGOs in Bank-supported activities. At the same time, staff should, where appropriate, explain to governments how collaboration with NGOs could strengthen the development process, and should encourage constructive working relationships among governments, donors and NGOs.

The Bank's policy encourages cooperation with various NGOs -- either based in the developing, or in the developed countries -- and with apex federations or councils of NGOs. The strengths and constraints that characterize NGOs are

considered.^{8/} It is also noted that the fact that some NGOs combine development with political or religious objectives may limit the extent to which the Bank can work with them while safeguarding the primary relationship with its member governments.

Types of collaboration. The guidelines explicitly encourage staff, as a "matter of Bank policy", to develop contacts and operational collaboration with NGOs along a wide range of activities. These include the

analysis of development issues, in which Bank staff and governments can learn from NGO assessments of official development programs, especially regarding the concerns of low-income groups. A role for NGOs may be among the measures of an adjustment program, especially concerning the social dimension of adjustment; where appropriate, NGOs should be consulted at an early stage. The Bank's analytical country economic and sector work on poverty-related issues could benefit from both NGOs' views and an analysis of the role of NGOs.

The project cycle offers many "entrance points" for NGO contributions. While many such "entrance points" had been used even before the new guidelines were issued, they are now explicitly defined in order to point out the available options for more systematic NGO incorporation into the preparation and execution of projects.

During project identification and design, for instance, the guidelines suggest that staff should consider involving NGOs as either

- (a) sources of information on intended beneficiaries and on technological and institutional innovation. Small NGO programs may sometimes become the model for a larger Bank-financed project;
- (b) consultants for the Bank, government or local communities during project preparation, who should be involved at an early stage;

- (c) resource contributors: for project financing, some international NGOs may cofinance a project or, more likely, finance activities complementary to a Bank-financed project.

The project implementation phase opens up additional opportunities for collaboration with NGOs. The guidelines identify at least six such key roles for NGOs, such as

- (a) a contractor or manager engaged by the government and financed from the loan proceeds or through Trust Funds;
- (b) a financial intermediary or a supplier of technical knowledge to local beneficiaries;
- (c) an adviser either assisting local beneficiaries to apply for project resources (e.g., credits) or organizing local communities to make use of project facilities;
- (d) an independent partner implementing activities complementary to a Bank-financed project;
- (e) the recipient of government grant or loan funds; or
- (f) the beneficiary of an NGO funding mechanism established by the project.

Project performance monitoring. Performance monitoring and feedback about ongoing impact on the area population is another type of contribution for which NGOs often have a comparative advantage in terms of access to information and objectivity. As was aptly said, "where bureaucratic eyes are astigmatic, NGOs provide vivid images of what is really happening at the grassroots" (Qureshi, 1988). The Bank's guidelines state that

NGOs may assist the government, a project entity, or the Bank in monitoring project progress or evaluating results. As outside observers, NGOs are often more objective and independent in reporting about performance, outcomes and impact. Where feasible, their contribution to monitoring should be included in the project design.

Of course, NGOs' participation in project design, implementation, or monitoring will raise questions regarding the handling of information about projects and related issues, an area that often is fraught with difficulties and controversy. The guidelines recommend that

staff should be responsive -- and encourage governments to be responsive -- to NGOs that request information or raise questions about Bank-supported activities, subject to preserving the confidentiality of privileged information. Staff should also observe the Bank's administrative provisions which, while adhering to the general principle that the Bank should be open about its activities, prescribes specific restrictions on utilizing data on Bank operations. Similarly, if NGOs give the Bank information, the extent of confidentiality should be agreed in advance.

Information-sharing and coordination among NGOs can improve their effectiveness and facilitate their dealings with the government, but Bank staff should discourage governments from imposing coordination or over-regulation. NGOs should take the lead in deciding whether and how they will work together or with one or another formal agency.

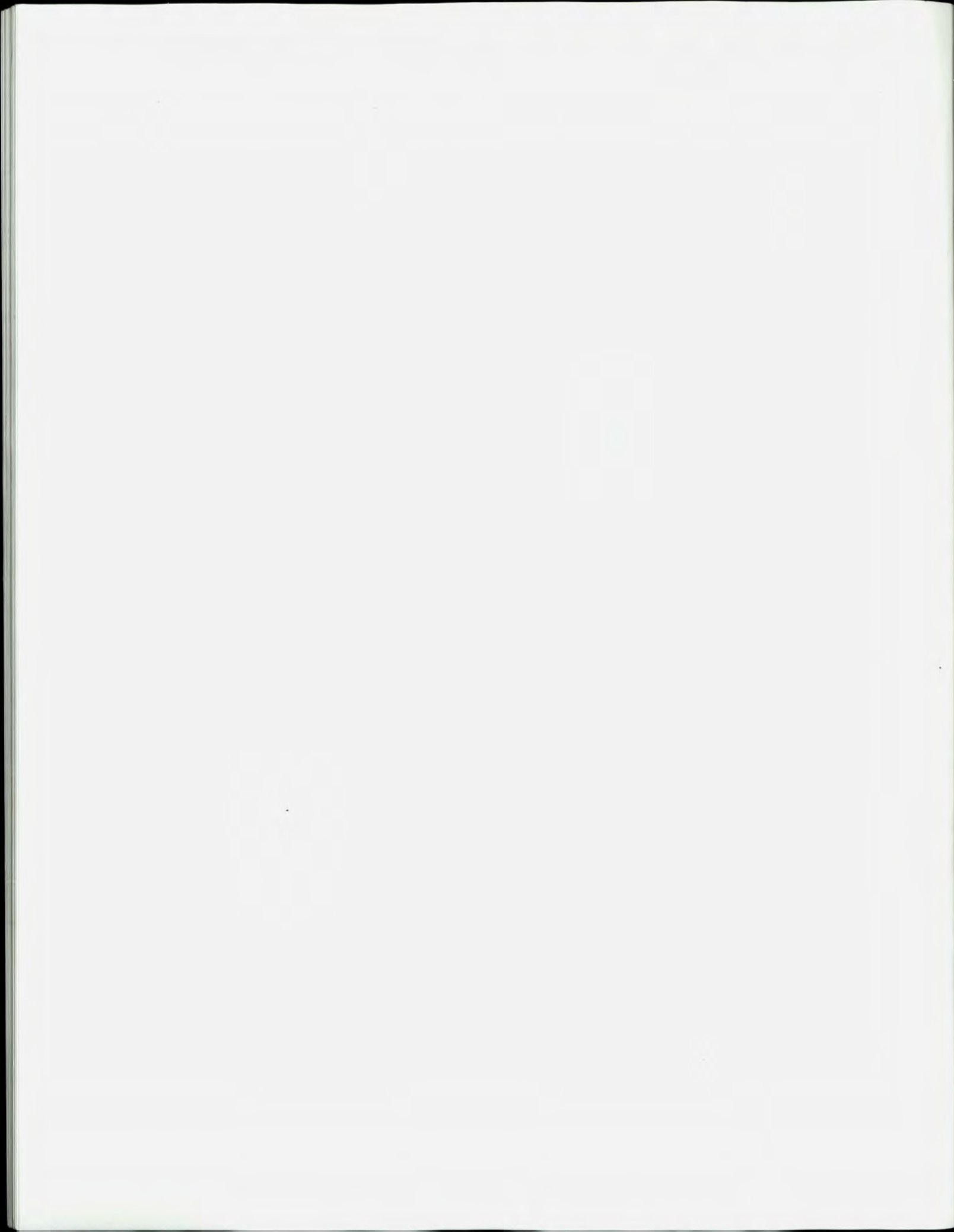
Project Financing Aspects. Because NGOs find it difficult to finance their involvement in the relatively long planning processes required for Bank operations, the Bank sometimes makes small grants to NGOs from its budget for studies or meetings related to Bank operations. For instance, for projects in Africa a special funding arrangement (the Special Project Preparation Facility) can be used to launch innovative NGO-related activities; the Bank has also a special program of grant funding for African NGOs active in population planning. Grant funding to facilitate NGO involvement in a Bank-financed project can also be sought from an international NGO or from another official development agency (e.g., bilateral development agencies and the European Economic Community). A few bilateral agencies (like CIDA, SIDA, NORAD, etc., or UNICEF and UNDP) provide grants directly to developing-country NGOs and NGO associations. Such

grants can be requested for supporting project-related activities.

A Bank-supported project may sometimes finance NGO-managed components. However, the Bank realizes that too much official funding can destroy an NGO's grassroots character; sometime, the administrative costs of funding small NGO projects is disproportionate to activity costs. Therefore, Bank staff are directed to carefully take into account NGOs' need to ensure that their special status is not compromised as a result of official funding. Moreover, beyond funding per se, any major collaboration with NGOs may need to be accompanied by management assistance, for example, to improve monitoring and accounting as a way to foster institution-building in indigenous NGOs.

The new guidelines also formalize the possibility of NGOs participation in project execution as contractors or suppliers, in which case the usual procurement criteria should be met. As a special way for facilitating NGO contracts which are usually small and involve community participation, when open competitive procurement is not always feasible direct contracting may be justified if an NGO is the only entity capable of carrying out an activity (e.g., maintenance of feeder roads in remote areas, or the transfer of a particular technology).

Finally, the policy guidelines also establish clear in-house responsibilities for implementing all these provisions and for further developing the Bank's policy toward NGOs. The Bank-NGO Committee will continue to act as a formal forum and focal point for the Bank's discussions with NGOs. Altogether, it is expected that the new statement of August 1988 will give a strong impetus to the Bank's efforts for further collaboration with nongovernmental organizations.



VI. STRATEGIC ISSUES FOR LOCAL NGO DEVELOPMENT

In summing up this paper, I would like briefly to focus on two issues which I regard as being of central strategic importance for expanding the NGO movement and its impact on local social development.

Organizational Build-Up

The immediate progress, as well as the long-term influence of NGOs as a social movement, depends first and foremost on the build-up of their organizational capacity. This demands expansion of their coverage and comprehensiveness, i.e. extensive development; it also demands intensive development. This will require strengthening the many fragile and ephemeral NGOs that risk disappearing without a trace, by reinforcing their internal organizational scaffolding, improving their accountability mechanisms both to their own membership and to the public at large, and fortifying their internal decision making, self-maintenance and reproductive processes.

The contribution of those NGOs that work for building other NGOs and for organizing people within structures adequate to their culture and focused on achieving joint goals is invaluable. Social organization is a strategic resource for accelerating development and improving people's livelihoods, a resource that can be built up patiently and systematically. This is an area in which social scientists, particularly sociologists and anthropologists, may make a significant contribution, since the genesis of grassroots organizations of various kinds need not be a result of spontaneity alone: efforts to establish new associations and institutions and strengthening existing ones could gain from specialized sociological knowledge.

Support for establishing grassroots organizations must be given on an increased scale by public bodies and international development agencies. This requires financial investments as well. But there is still too little knowledge and even fewer imaginative approaches about how to invest in grassroots organization building. But without allocating resources, supporting institution building only rhetorically is insufficient. In this area again, "the Bank's experience ... is that strong organizations of poor people often help public programs respond to the real needs of the poor. With public participation, programs are also more likely to keep working after the Bank's involvement ends" (Qureshi, 1988).

Organizations, like knowledge, are forms of capital accumulation. People's propensity for organizing is an immense development resource and NGOs are an adequate vehicle for tapping it. As emphasized earlier, NGOs should not be regarded just as a conduit for funds or as a means for implementing programs, but as a resource in themselves, a type of development capital. Thus, building them up is development. In turn, NGOs would amplify their capacity faster by putting more of their scarce resources into training their own membership and leaders (Sazanami, 1984; see also Holloway and Watson,^{9/} 1987) and into strengthening their management patterns and internal authority and accountability systems -- all basic prerequisites for durable impacts.

Policy and Administrative Environments

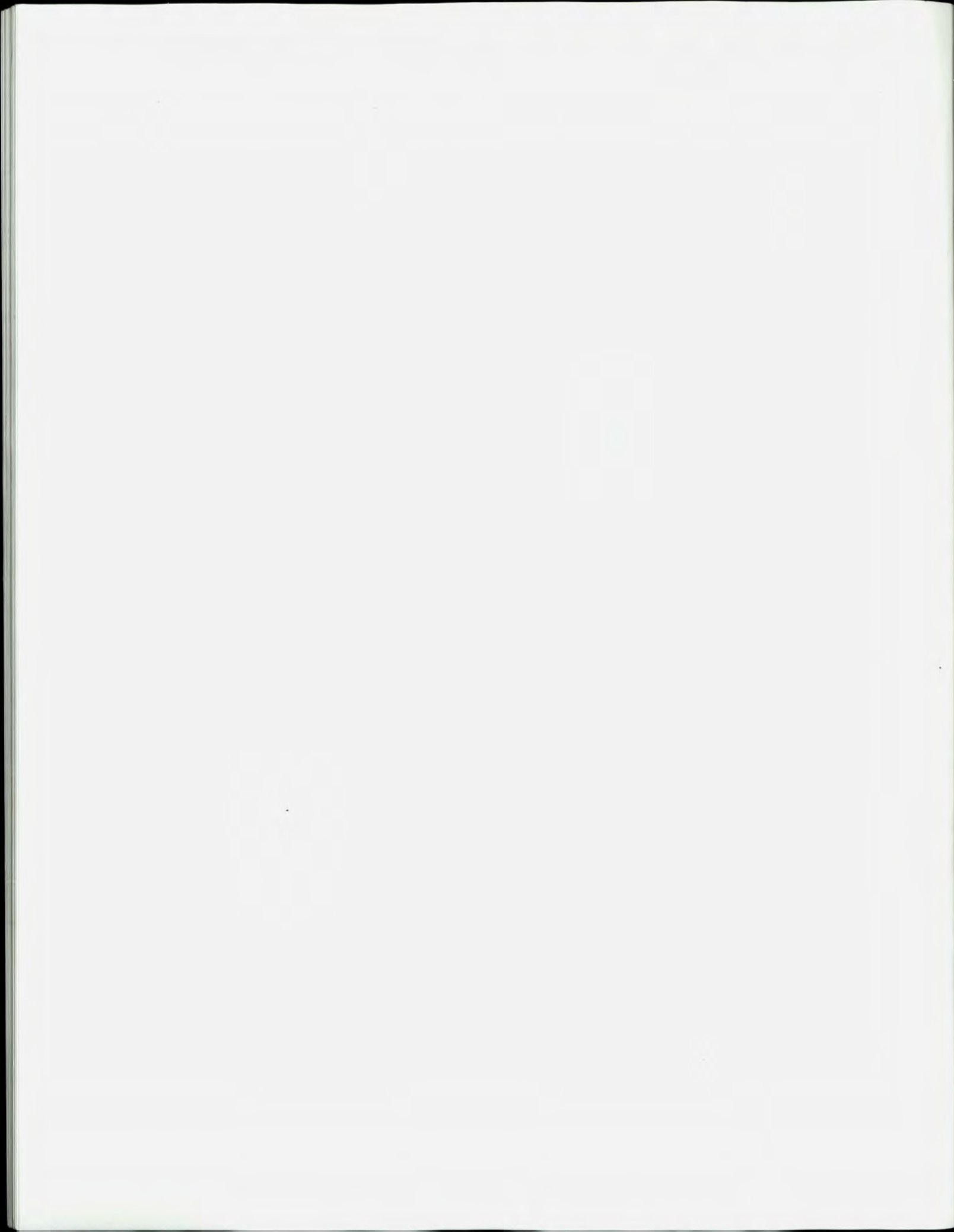
The area of NGO-Government relationships is decisive for the strategic development and impact of NGOs. To achieve wider relevance, and to gain replicability for their initiatives on large scales, NGOs must influence government bodies, local and national.

The first requirement is to develop a more favorable policy and administrative environment for NGOs' existence and

activities. More decentralized patterns of development work, particularly in regional and local planning, offer important opportunities both to governments and NGOs for "appropriate administration" (Calavan^{10/}) and for organizational strategies for managing local level development (Gunawardena, 1987).

Paradoxical as it may sound, the progress of nongovernmental organizations depends, partly, on government support. But governments are often reluctant to collaborate with, and sometimes are directly hostile to, NGOs. In turn, NGOs themselves often put restraints on their cooperation with governments. This may be out of a concern with being co-opted, or because they don't see much potential in such cooperation, or because rivalries among NGOs themselves. Perhaps a reversal of thinking and posture is called for among NGOs: NGOs may consider strategies for actively trying, in their own turn, to "use" governments, for getting the government's policies, mechanisms and resources to be more responsive to the development needs and initiatives of the people they represent.

In practice, this is not an easy and short-run goal, but there are indeed many ways of working patiently towards it. Its achievement will depend largely on solving the question discussed before -- the organizational build-up of NGO's strength. Therefore, once again, constructing the link between relevance, organizational capacity and replicability appears as the cornerstone for an expanded NGO impact on development.



NOTES

- 1/ In commenting on a prior version of this paper, Kamla Chowdhry observed that while the recent mass multiplication of NGOs is indisputable, the earlier NGO movement also reached very significant levels in certain periods. For instance, in India during the Gandhian period, thousands of NGOs emerged and made a historic contribution to the Gandhian objectives. Before that, various missionaries groups had set up many education and health facilities in India.
- 2/ The member countries of DAC (Development Assistance Committee) are the following: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Sweden, Switzerland, United Kingdom, United States. The capacity of NGOs in these countries to raise private resources for development aid varies widely from country to country. Given fluctuations in exchange rates, this is best expressed by the share of NGO grants in the countries' gross natural product. In 1985, the highest ratios were attained in Ireland (0.13 percent) and the Netherlands, Norway and Sweden (0.08 percent), compared to the average of 0.03 percent for the DAC countries together. The absolute amount of private grants has gradually increased over years, as visible from Table 1, but for the DAC countries combined their share in GNP fell from 0.04 percent in 1973 to 0.03 percent in 1985.
- 3/ Although distinctions do exist between the NGOs that are village-based or urban-based and incorporate a segment of the community itself, on the one hand, and the so-called professional NGOs, advocacy NGOs, etc., which consist of a specialized group of activists, on the other, both the former and the latter see themselves as agents acting on behalf of the community's interest.
- 4/ For instance, a rather solid and comprehensive study by Gorman and assoc. (1984) of the contribution of voluntary organizations as development agents excludes from its analysis "the thousands of voluntary agencies which are engaged primarily in local or domestic pursuits", and explains this exclusion as follows:

" ... excluded from our analysis are all profit-making organizations. While these may make considerable contributions to development through investment activities and through donations to

private charities, their primary purpose does not lie in the direction of philanthropy. By contrast, PVOs have as their raison d'être the provisions of resources and services to others without profit as a motive". (Gorman, 1984, p. 2).

5/ Norman Uphoff defines membership organizations as "local self-help associations whose members may seek to handle (i) multiple tasks, e.g., local developmental associations ... (ii) specific tasks, e.g., water users associations ... or (iii) needs of members who have some particular characteristic or interest in common, e.g., mothers' club ... Service organizations are the local organizations formed primarily to help persons other than members, though members may also benefit from them." (Uphoff, 1986; see also Esman and Uphoff, 1984.)

6/ Projects financed by outside donors must assess in advance what the local people need and expect. However, such programs are sometimes based on preconceived ideas, and the manner of superficial "consulting" of local people may become just a means for justifying these preconceptions, rather than for authentic learning about local needs and priorities. John Mason gives a very telling example from an AID evaluation study:

"We [project designers] went to the villages to ask what they wanted. They said -- give us an improved water supply. We asked what else? They said -- a hospital. We asked what next? They said -- a school....All the time, in the backs of our heads, we knew they were going to get maize production." (Mason, 1987).

The implication is that if the intended beneficiaries of such projects would be organized and would act as constituted groups, their capacity to express and assert their needs and demands would be more effective.

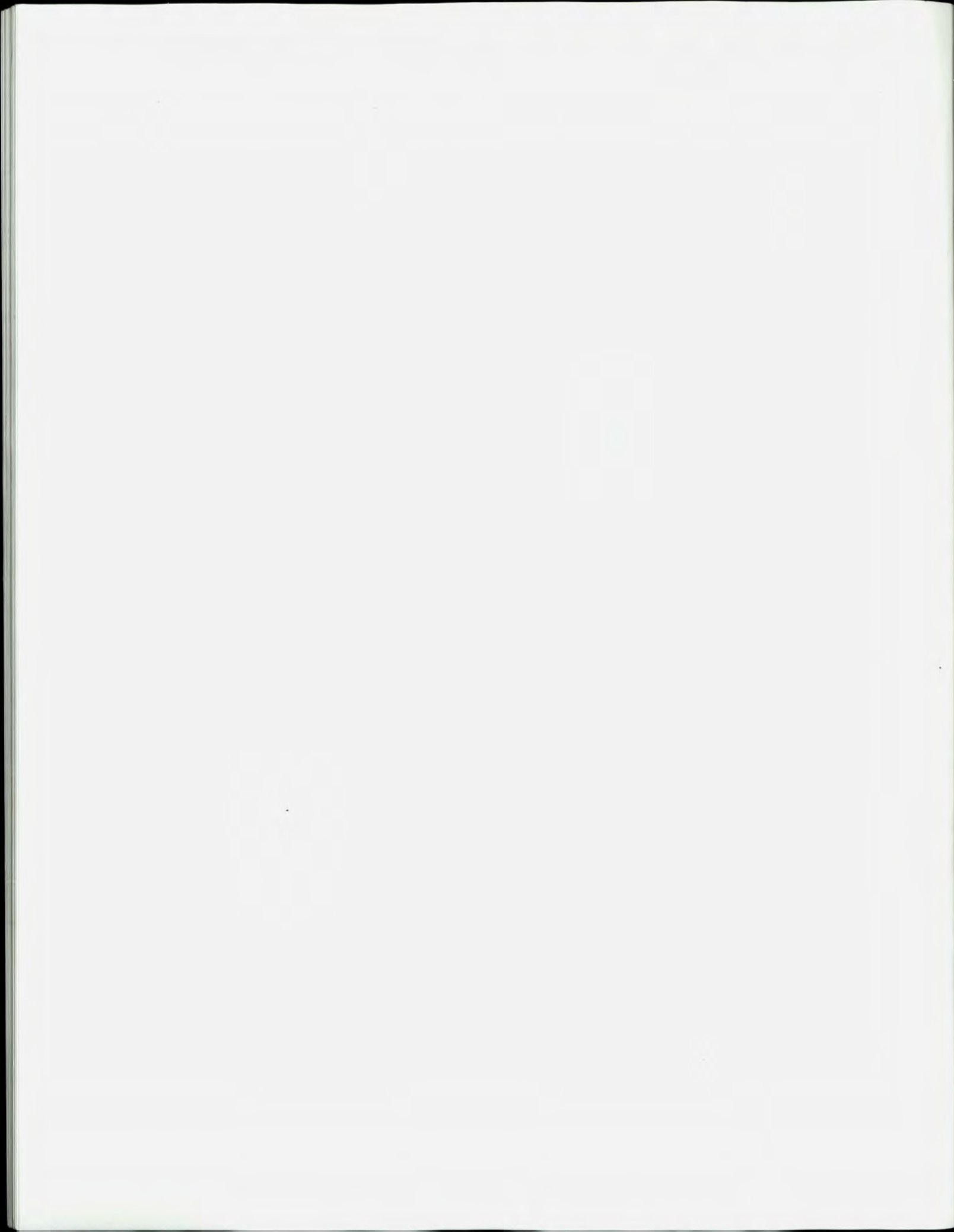
7/ Personal communications from Maritta Koch-Weser, Thayer Scudder, Abdul Salam, William Partridge, and Daniel Gross provided considerable factual confirmation of the positive role of NGOs in many resettlement projects.

8/ Much along the lines of the discussion contained in chapter IV of the present paper.

9/ Richard Holloway and David Watson have prepared an interesting manual entitled "Changing Focus" -- one of the very few based on direct field experience that is available for planners at the local level and that focuses on poverty aspects. Such a manual could be used effectively in training NGO activists as well; among other things, it

suggests ways in which NGO methods can be integrated into the policies and approaches of government agencies.

- 10/ Michael Calavan has developed a useful six-pronged set of recommendations for creating an "appropriate administration" framework for NGO-government collaboration: (a) recommendations to government bureaucrats and politicians; (b) recommendations for external donor agencies; (c) for external private voluntary organizations; (d) for local leaders and groups; and (e) for researchers. (See Calavan, 1984)



REFERENCES

- Annis, Sheldon
1987a Reorganization at the Grass Roots. Its Origin and Meaning, Grassroots Development, Vol. 11, No. 2.
- 1987b Can Small-Scale Development be a Large-Scale Policy? The Case of Latin America, in World Development, Vol. 15, Supplement.
- Aufderheide, Pat and Bruce Rich
1988 Environmental Reform and the Multilateral Banks, in World Policy Journal, Spring 1988.
- Bagadion, Benjamin and Frances F. Korten
1985 Developing Irrigators' Organizations: A Learning Process Approach, in Michael M. Cernea (ed.) Putting People First, N.Y., Oxford University Press.
- Beckmann, David
1985 Religious and Humanitarian Groups in the US and Third World Development, World Bank, Washington, D.C. (unpublished).
- Berg, Robert J.
1987 Non Governmental Organizations: New Force in Third World Development and Politics, CASID, East Lansing, Michigan.
- Calavan, Michael
1984 Appropriate Administration: Creating a 'Space' Where Local Initiative and Voluntarism Can Grow, in Gorman, R. (ed.) Private Voluntary Organizations as Agents for Development, Boulder: Westview.
- Cernea, Michael M.
1981 "Modernization and Development Potential of Traditional Grass Roots Peasant Organizations" in Mustafa O. Attir et al., (eds.), Directions of Change: Modernization Theory, Research and Realities (Boulder, CO: Westview)
- 1983 A Social Methodology for Community Participation in Local Investment Selection. The Experience of Mexico's PIDER. World Bank Staff Working Paper No. 598.

- Cernea, Michael M.
1985 Putting People First: Sociological Variables in Rural Development (ed.) NY: Oxford University Press.
- 1987a Farmer Organization and Institution Building for Sustainable Development, in Regional Development Dialogue, Vol. 8, No. 2, UNCRD, Nagoya, Japan.
- 1987b Entrance Points for Sociological Knowledge in Planned Rural Development, in Schwartzweller, Harry K. (ed.), Research in Rural Sociology and Development, Vol. 3, Greenwich: JAI Press.
- 1988a Involuntary Resettlement in Development Projects. Policy Guidelines in World Bank-Financed Projects. World Bank Technical Paper No. 80, Washington, DC.
- 1988b Involuntary Resettlement and Development, in Finance and Development, vol. 8, No. 3, September.
- 1988c Development Anthropology at Work, in Anthropology Newsletter, American Anthropological Association, vol. 29, no. 6, September.
- Chambers, Robert
1987 Sustainable Livelihoods, Environment and Development: Putting Poor Rural People First, Sussex: Institute of Development Studies, Discussion Paper No. 240.
- Cheema, G. Shabbir
1983 The Role of Voluntary Organizations, in Cheema, G. S. and Dennis A. Rondinelli (eds.) Decentralization and Development. Policy Implementation in Developing Countries, Beverley Hills: Sage Publications.
- Chowdhry, Kamla
1988 Poverty, Environment, Development: People's Participation and People Centered Structures. Glimpses from Gandhian Thinking, processed.
- Conable, Barber
1987 Address to the Annual Meeting of the World Bank and IMF. Washington, DC: World Bank.
- Conyers, Diana
1986 Social Analysis for Local Social Development Planning, in Regional Development Dialogue, Vol. 7, No. 1, Spring

- Dreesmann, Bernd
1987 Northern NGOs: Tradition, Change and Challenge, in The Currier, 190.
- Esman, Milton J. and Norman Uphoff
1984 Local Organizations: Intermediaries in Rural Development. Ithaca, NY: Cornell University Press.
- Galtung, Johan, Peter O'Brien and Roy Preiswerk
1980 Self-Reliance. A Strategy for Development. Geneva Institute for Development Studies.
- Garilao, Ernest D.
1987 Indigenous NGOs as Strategic Institutions: Managing the Relationship with Government and Resource Agencies, in World Development, Vol. 45, Supplement.
- Ghafoor, Abdul
1987 "A Social Engineering Experiment in Pakistan: A Case Study of Orangi" in Regional Development Dialogue, Vol. 8, No 2, UNCRD, Nagoya, Japan.
- Gordon-Drabek, Anne
1987 Development Alternatives: The Challenge for NGOs - An Overview of the Issues, in World Development, Vol. 15, Supplement.
- Gorman, Robert F., (ed.)
1984 Private Voluntary Organizations as Agents for Development. Boulder, CO: Westview Press.
- Gunawardena, A. S.
n.d. Institutional Framework for Managing Local Level Development, processed.
- Heaver, Richard
Reaching People at the Periphery: Can the Bank's Population, Health and Nutrition Operations Do Better? World Bank Technical Paper, Washington, DC, (forthcoming)
- Hellinger, Douglas
1987 NGOs and the Large Aid Donors: Changing the Terms of Engagement, in World Development, Vol. 15, Supplement.
- Hellinger, Stephen, Douglas Hellinger and Fred M. O'Reagan
1988 Aid for First Development. Report on the Future of Foreign Assistance. Boulder & London: Lynne Rienner Publishers.

- Hirono, Ryokichi
1987 How to Promote Trilateral Cooperation among Governments, NGOs and International Agencies, in World NGO Symposium Nagoya Congress, OISCA International, Nagoya International Center.
- Holloway, Richard (ed.)
1987 Doing Development - Government, NGOs and the Rural Poor in Asia, Cuso, processed.
- Hursh-Cesar, Gerald and Associates
1986 Development Effectiveness of Private Voluntary Organizations, Agency for International Development, Washington, DC.
- ICVA
1987 Consensus Conclusions of the World Bank/NGO Committee Meeting in Santo Domingo, November 1987, ICVA Newsletter, December, No. 128
- Kerri, J. N.
1976 Studying Voluntary Associations as Adaptive Mechanisms: A review of Anthropological Perspectives, in Current Anthropology, 17(1).
- Khan, Akhter Hameed
1986 Community Participation for Mobilizing Local Resources. Case Study of a Low Cost Sanitation Program in Orangi, Orangi Pilot Project, Daulat House, December, processed.
- 1987 Experiences of Three Orangi Pilot Projects. Paper presented at the Regional NGO Conference on Population Welfare and Development, Islamabad, November 12-15, 1987, processed.
- Korten, David C.
1987 Micro-Policy Reform: The Role of Private Voluntary Development Agencies. In Korten, D. (ed.) Community Management: Asian Experience and Perspectives, ed. West Hartford, CT: Kumarian Press.
- Kottack, Conrad P.
1985 When People Don't Come First: Some Sociological Lessons from Completed Projects, in Michael M. Cernea (ed.) Putting People First: Sociological Variables in Rural Development, NY, Oxford, Oxford University Press.

- Mason, John P.
1987 Local Organizational Development for Sustainability, report submitted to USDA/OICD/DPMC, Donnelly Roark & Associates, Inc., processed, Washington, DC.
- OECD (Organization for Economic Cooperation and Development)
1987 Voluntary Aid for Development: The Role of Nongovernmental Organizations, OECD, Paris, processed.
- OISCA-International
1986 World NGO Symposium, Tokyo.
- 1987 World NGO Symposium, Nagoya Congress, October 5-8, 1987, Nagoya International Center.
- Padron, Mario
1987 Nongovernmental Development Organizations: From Development Aid to Development Cooperation, in World Development, Vol. 15, Supplement, Autumn 1987.
- Padungkarn, Chakrit N.
1987 Social Development Alternatives, Concepts and Practice in Asian and Pacific Countries, (ed.) UNCRD, Nagoya.
- Paul, Samuel
1987 Community Participation in Development Projects. World Bank Discussion Paper.
- Qureshi, Moeen A.
1988 The World Bank and NGOs: New Approaches. Speech at the Washington chapter of the SID conference on "Learning from the Grassroots", April 22, 1988.
- Robertson, A. F.
1984 People and the State. An Anthropology of Planned Development, Cambridge University Press, Cambridge.
- Rondinelli, Dennis A.
1981 Government Decentralization in Comparative Perspective: Theory and Practice in Developing Countries, in International Review of Administrative Sciences, Vol. XLVII, 2.
- Sazanami, Hidehiko
1984 Local Social Development Planning: Toward a Trainer's Training Course, (ed.) UNCRD, Nagoya

- Schuh, G. Edward
1987 PVO Role in Influencing Agricultural Policy: A View from the World Bank, paper presented at the Quarterly Meeting of the Advisory Committee for Voluntary Foreign Aid, USAID, Washington, DC., June 1987, processed.
- Smith, Derek F.
1987 The Role of United Kingdom NGOs in Providing Development Aid. A Study for the World Bank, processed.
- Tendler, Judith
1982 Turning Private Voluntary Organizations into Development Agencies. Questions for Evaluation, AID Program Evaluation Discussion Paper No. 12, Washington, DC.
- Uphoff, Norman
1986 Local Institutional Development: An Analytical Sourcebook with Cases, West Hartford, Connecticut, Kumarian Press.
- 1987 Relations between Governmental and Nongovernmental Organizations and the Promotion of Autonomous Development. Paper presented at the Conference for Autonomous Development, Oegstgeest, The Netherlands, October.
- 1988 Assisted Self-Reliance: A Paradoxical Strategy of Working with Rather than for the Poor, in John Lewis (ed.) Strengthening the Poor, Overseas Development Council, Washington, DC (forthcoming).
- Winnacker, Martha
1979 The Battle to Stop the Chico Dams, in Southeast Asia Chronicle (67), October.
- van der Heijden, H.
1987 The Reconciliation of NGO Autonomy, Program Integrity and Operational Effectiveness with Accountability to Donors, in World Development, Vol. 15, Supplement, Autumn 1987.
- Vyas, Vijay
1988 Strategic Issues for Agricultural Lending in Sub-Saharan Africa, Agriculture and Rural Development Department, The World Bank, processed (forthcoming).

- Watson, David and Richard Holloway
1987 Changing Focus. Involving the Poor in Development Planning. Cuso, processed.
- WCED (World Commission on Environment and Development)
1987 Our Common Future (The Brundtland Commission's Report) Oxford University Press, Oxford, New York.
- World Bank
1983 Cooperation Between the World Bank and Nongovernmental Organizations (NGOs), First Progress Report, Washington, DC, processed.
- 1984 Cooperation Between the World Bank and Nongovernmental Organizations (NGOs), Second Progress Report, Washington, DC, processed.
- 1985 Cooperation Between Nongovernmental Organizations (NGOs) and the World Bank, Third Progress Report, Washington, DC, processed.
- 1986 Cooperation Between Nongovernmental Organizations (NGOs) and the World Bank, Fourth Progress Report, Washington, DC, processed.
- 1987 Cooperation Between Nongovernmental Organizations (NGOs) and the World Bank, Fifth Progress Report, Washington, DC, processed.
- 1988 Collaboration with Nongovernmental Organizations, Operational Manual Statement No. 5.30, August 1988.
- World Bank Economic Development Institute
1987 Readings in Community Participation, 2 vol., compiled and introduced by Michael Bamberger. Washington, DC, processed.

DISTRIBUTORS OF WORLD BANK PUBLICATIONS

ARGENTINA

Carlos Hirsch, SRL
Galeria Guemes
Florida 165, 4th Floor-Ofc. 453/465
1333 Buenos Aires

AUSTRALIA, PAPUA NEW GUINEA, FIJI, SOLOMON ISLANDS, VANUATU, AND WESTERN SAMOA

Info-Line
Overseas Document Delivery
Box 506, GPO
Sydney, NSW 2001

AUSTRIA

Gerold and Co.
A-1011 Wien
Graben 31

BAHRAIN

MEMRB Information Services
P.O. Box 2750
Manama Town 317

BANGLADESH

Micro Industries Development Assistance
Society (MIDAS)
G.P.O. Box 800
Dhaka

BELGIUM

Publications des Nations Unies
Av. du Roi 202
1060 Brussels

BRAZIL

Publicacoes Tecnicas Internacionais Ltda.
Rua Peixoto Gomide, 209
01409 Sao Paulo, SP

CANADA

Le Diffuseur
C.P. 85, 1501 Ampere Street
Boucherville, Quebec
J4B 5E6

CHINA

China Financial & Economic Publishing House
8, Da Fo Si Dong Jie
Beijing

COLOMBIA

Enlace Ltda.
Carrera 6 No. 51-21
Bogota D.E.
Apartado Aereo 4430
Cali, Valle

COSTA RICA

Libreria Trejos
Calle 11-13
Av. Fernandez Guell
San Jose

COTE D'IVOIRE

Centre d'Edition et de Diffusion Africaines
(CEDA)
04 B.P. 541
Abidjan 04 Plateau

CYPRUS

MEMRB Information Services
P.O. Box 2098
Nicosia

DENMARK

SamfundsLitteratur
Rosenbergs Alle 11
DK-1970 Frederiksberg C.

DOMINICAN REPUBLIC

Editora Taller, C. por A.
Restauracion
Apdo. postal 2190
Santo Domingo

EGYPT, ARAB REPUBLIC OF

Al Ahran
Al Galaa Street
Cairo
The Middle East Observer
8 Chawarbi Street
Cairo

FINLAND

Akateeminen Kirjakauppa
P.O. Box 128
SF-00101
Helsinki 10

FRANCE

World Bank Publications
66, avenue d'Iena
75116 Paris

GERMANY, FEDERAL REPUBLIC OF

UNO-Verlag
Poppelsdorfer Allee 55
D-5300 Bonn 1

GREECE

KEME
24, Ippodamou Street
Athens-11635

GUATEMALA

Librerias Piedra Santa
Centro Cultural Piedra Santa
11 calle 6-50 zona 1
Guatemala City

HONG KONG, MACAO

Asia 2000 Ltd.
6 Fl., 146 Prince Edward Road, W,
Kowloon
Hong Kong

HUNGARY

Kultura
P.O. Box 139
1389 Budapest 62

INDIA

Allied Publishers Private Ltd.
751 Mount Road
Madras - 600 002

Branch offices:

15 J.N. Heredia Marg
Ballard Estate
Bombay - 400 038

13/14 Asaf Ali Road
New Delhi - 110 002

17 Chittaranjan Avenue
Calcutta - 700 072

Jayadeva Hostel Building
5th Main Road Gandhinagar
Bangalore - 560 009

3-5-1129 Kachiguda Cross Road
Hyderabad - 500 027

Prarthana Flats, 2nd Floor
Near Thakore Baug, Navrangpura
Ahmedabad - 380009

Patiala House
16-A Ashok Marg
Lucknow - 226 001

INDONESIA

Pt. Indira Limited
Jl. Sam Ratulangi 37
Jakarta Pusat
P.O. Box 181

IRELAND

TDC Publishers
12 North Frederick Street
Dublin 1

ISRAEL

The Jerusalem Post
The Jerusalem Post Building
P.O. Box 81
Romea Jerusalem 91000

ITALY

Licosa Commissionaria Sansoni SPA
Via Lamarmora 45
Casella Postale 552
50121 Florence

JAPAN

Eastern Book Service
37-3, Hongo 3-Chome, Bunkyo-ku 113
Tokyo

JORDAN

Jordan Center for Marketing Research
P.O. Box 3143
Jabal Amman

KENYA

Africa Book Service (E.A.) Ltd.
P.O. Box 45245
Nairobi

KOREA, REPUBLIC OF

Pan Korea Book Corporation
P.O. Box 101, Kwangwhamun
Seoul

KUWAIT

MEMRB
P.O. Box 5465

MALAYSIA

University of Malaya Cooperative Bookshop,
Limited
P.O. Box 1127, Jalan Pantai Baru
Kuala Lumpur

MEXICO

INFOTEC
Apartado Postal 22-860
Col. PE/A Pobre
14060 Tlalpan, Mexico D.F.

MOROCCO

Societe d'Etudes Marketing Marocaine
2 Rue Moliere, Bd. d'Anfa
Casablanca

NETHERLANDS

InOr-Publikaties b.v.
P.O. Box 14
7240 BA Lochem

NEW ZEALAND

Hills Library and Information Service
Private Bag
New Market
Auckland

NIGERIA

University Press Limited
Three Crowns Building Jericho
Private Mail Bag 5095
Ibadan

NORWAY

Narvesen Information Center
Bertrand Narvesens vei 2
P.O. Box 6125
N-0602 Oslo 6

OMAN

MEMRB Information Services
P.O. Box 1613, Seeb Airport
Muscat

PAKISTAN

Mirza Book Agency
65, Shahrah-e-Quaid-e-Azam
P.O. Box No. 729
Lahore 3

PERU

Editorial Desarrollo SA
Apartado 3824
Lima

PHILIPPINES

National Book Store
701 Rizal Avenue
Metro Manila

POLAND

ORPAN
Palac Kultury i Nauki
00-001 Warszawa

PORTUGAL

Livraria Portugal
Rua Do Carmo 70-74
1200 Lisbon

SAUDI ARABIA, QATAR

Jarir Book Store
P.O. Box 3196
Riyadh 11471

SINGAPORE, TAIWAN, BURMA,

BRUNEI
Information Publications
Private, Ltd.
02-06 1st Fl., Pei-Fu Industrial
Bldg., 24 New Industrial Road
Singapore

SOUTH AFRICA

Oxford University Press Southern Africa
P.O. Box 1141
Cape Town 8000

SPAIN

Mundi-Prensa Libros, S.A.
Castello 37
28001 Madrid

SRI LANKA AND THE MALDIVES

Lake House Bookshop
P.O. Box 244
100, Sir Chittampalam A. Gardiner Mawatha
Colombo 2

SWEDEN

ABCE Fritzes Kungl. Hovbokhandel
Regeringsgatan 12, Box 16356
S-103 27 Stockholm

SWITZERLAND

Librairie Payot
6, rue Grenus
Case postal 381
CH 1211 Geneva 11

TANZANIA

Oxford University Press
P.O. Box 5299
Dar es Salaam

THAILAND

Central Department Store
306 Silom Road
Bangkok

TRINIDAD & TOBAGO, ANTIGUA, BARBUDA, BARBADOS, DOMINICA, GRENADA, GUYANA, JAMAICA, MONTserrat, ST. KITTS AND NEVIS, ST. LUCIA, ST. VINCENT & GRENADINES

Systematics Studies Unit
55 Eastern Main Road
Curepe
Trinidad, West Indies

TURKEY

Haset Kitapevi, A.S.
Davutpasa Caddesi
Sergekale Sokak 115
Topkapi
Istanbul

UGANDA

Uganda Bookshop
P.O. Box 7145
Kampala

UNITED ARAB EMIRATES

MEMRB Gulf Co.
P.O. Box 6097
Sharjah

UNITED KINGDOM

Microinfo Ltd.
P.O. Box 3
Alton, Hampshire GU34 2PG
England

URUGUAY

Instituto Nacional del Libro
San Jose 1116
Montevideo

VENEZUELA

Libreria del Este
Apdo. 60.337
Caracas 1060-A

YUGOSLAVIA

Jugoslovenska Knjiga
YU-11000 Belgrade Trg Republike

ZIMBABWE

Longman Zimbabwe
P.O. Box 5T 125, Southern
Harare

Prices and credit terms vary from country to country. Consult your local distributor before placing an order.

- No. 31. Small Farmers in South Asia: Their Characteristics, Productivity, and Efficiency. Inderjit Singh
- No. 32. Tenancy in South Asia. Inderjit Singh
- No. 34. The World Bank's Lending for Adjustment: An Interim Report. Peter Nicholas
- No. 35. Global Trends in Real Exchange Rates. Adrian Wood
- No. 36. Income Distribution and Economic Development in Malawi: Some Historical Perspectives. Frederic L. Pryor
- No. 37. Income Distribution and Economic Development in Madagascar: Some Historical Perspectives. Frederic L. Pryor
- No. 38. Quality Controls of Traded Commodities and Services in Developing Countries. Simon Rottenberg and Bruce Yandle
- No. 39. Livestock Production in North Africa and the Middle East: Problems and Perspectives. John C. Glenn [Also available in French (39F)]

The World Bank

Headquarters

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

Telephone: (202) 477-1234

Facsimile: (202) 477-6391

Telex: WUI 64145 WORLDBANK
RCA 248423 WORLD BK

Cable Address: INTBAFRAD
WASHINGTONDC

European Office

66, avenue d'Iéna
75116 Paris, France

Telephone: (1) 40.69.30.00

Facsimile: (1) 47.20.19.66

Telex: 842-620628

Tokyo Office

Kokusai Building
1-1 Marunouchi 3-chome
Chiyoda-ku, Tokyo 100, Japan

Telephone: (3) 214-5001

Facsimile: (3) 214-3657

Telex: 781-26838



THE APPLIED ANTHROPOLOGIST IN DEVELOPMENT PROJECTS

BY DAVID BUTCHER

1. INTRODUCTION

Anthropologists have been employed by research institutions, universities, international organizations and governments, but too often under such job titles as 'sociologist', 'social planner', 'social scientist' and various others. Why this should be so I offer no explanation, other than it would appear that while some individuals appear useful to such employers, their discipline is best disguised. Notable exceptions to this seem have been the old British Colonial Service, the United States USAID and the Canadian CIDA.

This paper is very much based on personal experiences, and those of other applied anthropologists whose work I am familiar with, and such reference material as is available to me.

The examples are taken from a variety of rural development type projects in a number of countries. The paper discusses the role of the applied anthropologist in various types of project and operating at various levels of organization, from the level of fishermen and farmers up to that of ministers. Some attempt has also been made to describe the role of the applied anthropologist during the various stages of the 'project cycle'. It is, I'm afraid, a somewhat personal paper, because after being invited to make a presentation at this symposium, which is also a farewell for my old tutor and friend, Professor James Littlejohn, I feel required to account for myself after all these years.

2. GENERAL CONSIDERATIONS

The Role of the applied anthropologist

There are a number of characteristics which differentiate the applied anthropologist from the academic anthropologist or the amateur anthropologist. The applied anthropologist deliberately involves himself, and if he is being useful, influences the taking of decisions which can change peoples' lives. This involvement frequently means that the applied anthropologist enters an ongoing interactive role with project beneficiaries, or subjects, project administrators and colleagues of various disciplines on the same team.¹ The applied anthropologist almost by definition also works for a client, and work interests are to a major extent dictated by the client, though often in consultation with the applied anthropologist. The main output of the applied anthropologist is in the form of reports, memoranda and notes. Unfortunately many of the reports produced are restricted in distribution by clients.

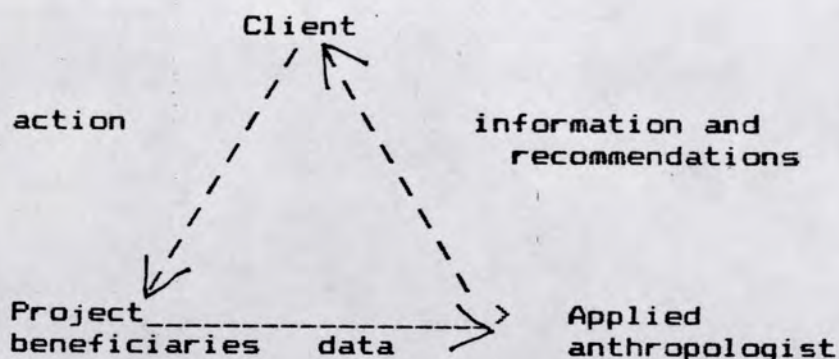
The anthropologist, as distinct from the applied anthropologist, may study a culture or a society, or a part of it, for its own sake, because there is a desire to understand it, and possibly to to abstract the principles affecting peoples behaviour and eventually build models for general application. Should the same anthropologist make recommendations on what should be done for, or by the people studied, the first step has been taken to becoming an applied anthropologist. The second is taken when the anthropologist assumes an interactive role.

In my own case my enquiries into the migrant Fula in Lunsar, Sierra Leone ². were undertaken as part of a team from the University of Edinburgh studying various facets of urbanization, financed by the Nuffield Foundation. In retrospect I suppose I could have remained on, or returned to the path of "straight" social anthropology, but instead I made an evaluation of the resettlement of Tema as a deliberate step to prepare for work on the much larger Volta resettlement.³ Ten years of direct contact with project beneficiaries or target groups in a variety of projects followed, and the next ten years working within bureaucracies with responsibility to carry out development projects.

The process of becoming an applied anthropologist is generally incremental. The anthropologist going from project to project and becoming more and more cut off from the mainstream of thinking among his more academically inclined colleagues. By way of compensation the applied anthropologist encounters a wide range of cultures and development issues.

The environment of the applied anthropologist.

As already mentioned the applied anthropologist works for a client, it also being generally understood, at least by the anthropologist, that his efforts will benefit or in some way assist a number of people on whose behalf a project is implemented, consisting, for example, of the management of a factory or farmers coming within a new credit scheme. There is usually a triangular relationship between the three parties, viz:



The anthropologist gathers information, analyses and prepares reports which are passed to the client. The client then uses the data for planning, and hopefully the anthropologist's recommendations to influence project design or modes of implementation.

The applied anthropologist can only see action he has recommended being implemented if the client first accepts that it will be useful. It is then directly carried out by the client agency following a policy ruling or decision. The applied anthropologist cannot implement anything on his own, as he has neither the authority nor the resources. Therefore much thought has to be put into indentifying not only what should be done, but how to present it to the client so it will be accepted. In the case of applied anthropology, as with any other provider of advice, "a solution which is not implemented is a poor solution".4.

Often the applied anthropologist has to take other types of factor into consideration. As it is not totally unknown for some individuals within the client group to benefit personally from the development project for which they are responsible, the applied anthropologist has to consider any recommendation carefully to make sure that it does not infringe on 'somebody's income, or even more important, their prestige or status. If a recommended action is even seen as a threat in these regards it will never see the light of day no matter how important it may be to the project beneficiaries. In such a situation the applied anthropologist can either stand on his high horse, in which case he will probably lose the credibility and trust of the client, or accept that as an anthropologist it is not his job to pass judgements on what other people in other cultures and countries consider important, but rather to identify what is important, and to whom.

Besides the client and the farmers, fishermen, settlers, traders, or whoever, whom the applied anthropologist works with, there are often the professional colleagues of varied disciplines, who together make up a project team. If there is a need for budding applied anthropologists to receive some professional training, there is an equal or greater need for some engineers, agronomists and economists to be at least informed about what an applied anthropologist can do, and what he cannot do. The difficulty of extracting data from farmers on crop production or their incomes; or the convincing of a government official on the merits of a new type of project organization pales into insignificance when the applied anthropologist tries to explain to an agronomist of Hollander origin why farmers will not follow his proposed cropping pattern; or convince a North Sea or Icelandic master fishermen of the merits of developing artisinal fisheries in developing countries before trawlers are introduced. Regretfully too many so called technical experts know a great deal about soils, about water mangement, about tractors and nearly everything else, but very little about people and what they want. One engineer, when it was pointed out to him that an irrigation project dislocated a large number of people who did not benefit from the new irrigation facicities, remarked that "you cannot make omelettes without breaking eggs"!5.

Acceptance by team colleagues is a must, if the applied anthropologist is to be effective in what is often his most important role, as a bridge or

facilitator between the ideas of technicians and the people who are supposed to benefit from the technology. A surprising number of technically trained people are convinced that a person without their own professional training cannot understand anything about their discipline. This is unfortunate because the job of the applied anthropologist is to understand the problems and constraints of people (beneficiaries) and to try to tap the ideas and skills of the technicians, and tailor and channel them in a form acceptable and useful for the people. In recent years there has been a welcome swing in the direction of improving indigenous techniques, and as a first step in more thoroughly finding out what people in non Western cultures already know.⁶ In general they know a great deal about soils, crops, seasons, sunlight, planting techniques, and quite often they are more than adequately able to adapt to new seed varieties or crops, if they are approached initially in the right way. The right way is to go in a spirit of watching and learning from the farmer or fisherman, rather than to assume that whatever he and his forebears have been doing is a waste of time and should be abandoned, in favour of some new (untried) methods.

A point often not fully appreciated by professionals who have mainly worked academically, or looked at development projects from outside rather than from within, is the bureaucratic morass in which the applied anthropologist or other change agent, find themselves. In order to carefully formulate or tailor recommendations to make them acceptable to the client, it is essential to thoroughly understand the various rules and procedures to be followed, and the collective and individual bureaucratic mind. The inertia and resistance offered by such entities is often frustrating, especially when some otherwise sensible way of doing something is blocked. However the forces behind such frustrations are usually directional, not static, and by reformulating the proposal, or by waiting until there is a change in personnel or policy, these same forces can be used to advantage, rather as a Judo expert uses his opponent's own momentum to throw him.

Almost regardless of which type of project the applied anthropologist finds himself, he has to work within an overall environment made up of several parts which include; the project work plan and its objectives; the structure, policies and personalities of the client or executing agency of the government; the policies of the funding agency and the views and opinions of its representatives; the team leader and the technical colleagues on the

team; and finally the people who are supposed to benefit from the project. To quote from various American field workers, "When you're up to your ass in alligators, it is important to remind yourself that the objective is to drain the swamp".

It will be apparent that no mention has been made of any particular theoretical framework upon which the applied anthropologist can draw. This is partly because there is no such thing, and partly because the applied anthropologist has to use whatever bits and pieces of the anthropological theories are relevant, and whatever techniques of survey, interview, or psychometric testing will be useful.

The applied anthropologist is not only concerned with a limited part of human behaviour and organization as such, but the total project environment of which he is himself a part. In order to disaggregate and analyse situations a knowledge of general systems theory and systems analysis is invaluable as it enables the applied anthropologist to develop an overall picture of a situation. It helps to clarify the relationships between the farmer, fisherman or whoever and his land, labour availability during the farming and family cycles, his housing needs, their subsistence and cash requirements, their skills and knowledge and the technologies adopted. Through gaining an understanding of these and other interrelationships, including government policies, the applied anthropologist can eliminate many unworkable development proposals at an early stage - providing he is consulted in time, and not brought in afterwards to pick up the pieces. It was once said to me that shooting down unworkable or useless projects was more important than designing new ones. (Robert Chambers in 1965.)

3. DEVELOPMENT AND DEVELOPMENT PROJECTS

The whole notion of development assistance is open to question, and this is not the place to discuss the merits or otherwise of replacing malnutrition and the problems poverty brings, with the ailments and dangers of industrialization. Whatever its merits, development is considered desirable by governments, bankers and even missionaries.

Development should be a process by which people can improve their standards of living through their own efforts, and preferably produce a surplus which makes a net contribution to the income or value of the state. The ways this can be achieved are numerous and include, the provision of irrigation and water management, improved seed and fertilizer, pest control, credit programmes, rural road construction, swamp reclamation and land settlement to name but a few. In appropriate circumstances, the introduction of some or all of these facilities gives direct benefits to many people in the form of more food and disposable income. The point is that those projects which involve the people, reflect their wishes and aspirations, and build on their existing knowledge and skills have the best chances of success.

There is a particular category of projects which although benefiting some sections of the population, cause hardship and suffering to others. These are the huge man made lakes, the airports and highways which by causing dramatic changes in land use necessitate many people to relocate themselves or be resettled, often under another project.

There are probably development projects in the World which cover just about every field of human endeavour. They range from those yielding very high economic rates of return, i.e. over 25%, to those with no immediately foreseeable return. Normally projects with rates of return of 20% and up are left for commercial banks to finance. In practice the World Bank looks for an internal rate of return which equals or exceeds the relevant shadow interest rate before deciding to finance a project. Other lending institutions such as the Asian Development Bank (AsDB) and the African Development Bank (AfDB) have similar requirements, but agencies which give grants, are usually not so stringent in their terms.

Large scale and small projects

Institutions such as the World Bank have in recent years developed policies whereby they try to provide assistance to the poorest sections of recipient countries. There are however three sets of difficulty facing the development agencies in achieving this laudable objective. First of all such assistance is always via the government and its institutions and not to the beneficiaries directly. The implication being that only those projects which are perceived by government officials as pertinent and useful are approved. While this is not necessarily detrimental it does restrict the range of opportunities open to the agency.

The second factor is the scale of the projects. There is little doubt that under small scale projects genuine development can be encouraged; that is to say the peoples problems can be elicited from them together with their own ideas as to how their lives would or could be improved. A good example of this type of project being the FAO Asian Small Farmers Projects carried out in a number of villages in Bangladesh and Nepal. Under the ACCARD projects as they are called, locally recruited and trained change agents form small groups of small farmers and landless people and elicit from them ideas that they could carry out given small loans. Having decided on what they want to do, arrangements are made with a local bank to provide loan finance to the groups, but with each individual being personally responsible for repayment. FAO guarantees the loans.

The ACARRD projects have assisted several hundreds of poor people to improve their living standards through fattening of livestock for the market, vegetable production, providing rickshaw services and several others. The beneficiaries having progressed from absolute poverty to being poor but able to stand on their own feet, then requested advice on family planning, as they realized that only by limiting their numbers of children could they keep above the poverty line. In spite of some opposition from some of the wealthier villagers, who lost some of their very cheap labour, the projects were a success. At this point the UNDP and the World Bank showed interest in expanding the projects to become national programmes. However in the case of Bangladesh the government officer 'in charge', an anthropologist, pointed out that any attempt to do the same thing on a large scale would cause it to collapse. It had taken a great effort to even spend \$30,000 dollars in five villages, and to increase

the amount to several million would in his view, destroy the project.7..

The ACCARD project being of small scale was able to benefit from the advice of an applied anthropologist and other specialists who were able to interact directly, at least on an intermittent basis, with the people who were benefitting from the project. In this case the applied anthropologist was involved in the various stages of the project from preparation to implementation and evaluation.

The larger lending institutions such as the World Bank, the AsDB and the AfDB tend to assist larger projects. This is partly because it costs nearly as much to set up a small scale project as it does a large one, and the business of such agencies is lending money. As a result of the difficulty of involving more than a limited number of people in the decision making process in their own development, the agencies (or the borrower) take the decisions as what is best for the people concerned. The recommendation to grow a certain cash crop such as rubber is made by an agronomist, the economists then calculate the costs and returns, and if these are reasonable the project goes ahead. During the project formulation period, no one asks Mr.X how he feels about planting rubber, nurturing it for seven years and then tapping it for the next twenty five: It is assumed that Mr.X, and others like him will.

The Project Cycle and the Applied Anthropologist

Most projects pass through more or less the same steps regardless of donor, lender or recipient country or government.8. These are:

identification

preparation

appraisal

negotiation

implementation and supervision

evaluation

The applied anthropologist has an important role to play in all these phases and the earlier they are involved the better. This is because nearly all projects either involve or effect people.

In this paper I shall describe some examples of the applied anthropologist working in the survey and identification phases, including field trials which are very important, and also some examples from projects during implementation.

Identification

As a prelude to actually identifying a specific project, various studies and surveys are usually made. These may be 'regional development studies' which aim at understanding the overall situation in an area and the various problems faced by its inhabitants. In the developing countries of the World there is an increasing utilization of applied anthropologists during such study periods.⁹

In my own case there have been a number of times that I have been required to carry out surveys and studies primarily to collect facts about people, what they do and what they own. A case in point being the census type survey of the people to be displaced from their homes and farm lands by the Volta Lake in Ghana.

It was mostly factual information that was initially required; the numbers of households, people, livestock etc. Later more interesting problems arose, such as how to coalace 750 hamlets and villages into 52 new villages without putting groups between which traditional animosities existed as neighbours. The solution was to use sociometric analysis, which in the event actually worked.¹⁰

The relationship with my client, the VRA, in this work was I admit a bit hit or miss at times. The VRA never knew what problems would crop up from day to day and expected the anthropologist to have the answers very quickly. In one respect at least chance played an important role. While interviewers slogged from house to house in the hot sun in the Krachi area, I carried out a study of clan organization and the interrelationships between clans, land ownership and the main god of the Krachis, Krachi Dente. Later the Krachis sent an enormous bill for ceremonies for the pacification of various gods by the clans prior to leaving for the resettlement area, and my earlier report was used as a basis for negotiation by the VRA for reducing the cost of the ceremonies to a more realistic amount. Perhaps because of inexperience I was not always able to anticipate the needs of the client, just as the client did not realize either the potential of the anthropologist, or his limitations.

From having studied the resettled people of Tema, I realized that people who are forced to vacate their houses and move to new ones provided by munificent governments, tend to dislike them whatever they are like, whatever they cost, or however much 'better' they may be in the eyes of architects and planners than those formerly occupied.¹¹ Freak floods in 1963 forced some of the Volta Basin inhabitants to move to their new houses in resettlement areas several months before the planned date, and before impoundment of the lake had begun. The reaction of the people from the Ewe Tongu tribe to the houses was to register themselves, collect the keys and go back to the riverside, to continue living in temporary houses while they carried on with their primary occupation as fishermen.

An attempt was made to persuade the VRA to not give houses to the fishermen on the grounds that boats and gear would be more useful to them, and that in any case they would continue to move around the new lake, and would not stay in the houses provided for them. The recommendation was rejected mainly on the grounds of equity; if farmers got houses then so should fishermen. Four years after the resettlement of 80,000 people had taken place, 67,000 of them having been provided with some 12,000 new houses, I found about 30% empty and virtually abandoned. Most of them were houses built for fishermen.

This example illustrates the point that the applied anthropologist has to understand the political climate surrounding his client as much as he appreciates the problems and needs of the people supposed to benefit under the project. Although in this case socialist Ghana could not afford to use the US \$1.5 million on such an unproductive investment as empty houses. During a subsequent survey of the population living in the flood basin of the Black Volta north of the projected Bui dam, all the fishermen made it clear that they would appreciate boats and fishing gear rather than houses as compensation for being disturbed; farmers however, chose houses and land as was expected.¹²

A rather different example illustrates the difference between creating an opportunity for self development, and economic development through high capital investment from external sources.

development, for whom?

In the 1970's there was a UNDP/FAO fisheries project on Lake Victoria, 13., with a range of professionals working on stock assessment, limnology, fish biology, fish capture techniques, and so on. The research showed there to be a standing stock of 600,000 tons of a small bony fish called Haplochromis (Swaheli, dagga), of which 200,000 tons per annum could be caught without reducing the stock. Trials showed that 30 foot trawlers were the most effecient way to catch this fish and such a boat was built at Entebbe.

At this point in time someone raised the question of the apparently large number of local fishermen around the shores of Lake Victoria, and what effect might the introduction of a trawl based fishery have on them. As a result I was assigned to the project together with an associate sociologist and two Norwegian volunteers under the NORAD programme.

14

A survey of the entire lake . showed there to be over 12,000 fishing units (canoes with crew and fishing gear), well over 30,000 men directly employed in fishing, and a further 67,000 men and women also earning their living from the fishery in one way or another.

In contrast the proposed trawlers would each employ four men, one more than most canoes, and with a catch rate of 500kg. per hour, would harvest the same weight of fish in 16-20 hours as the average canoe would catch in a year. With some 300 to 400 trawlers the 200,000 tons per annum could be caught and would directly employ 2,000 men. With a capital cost of EA shs.300,000 per trawler, most of the finance would have to come from the banks of the larger cities in the region, with most of the profit returning to the cities.

The canoes are built locally with local funds by people living around the lake. The investment per job in the canoe fishery was Shs.500, compared with Shs.75,000 per job on a trawler. However, studies by Jansen¹⁵. had shown that although a successful canoe owner could make enough to buy a second, or third boat, management and supervision became difficult and further profits tended to be invested in small shops or some other enterprise.

In keeping with the idea of initiating a form of self development we decided to try an intermediate type of boat and gear which would be more effecient than the canoes with their gill nets, employ more men, and be within the financial reach

of local (lakeside) entrepreneurs. The project gear technologist¹⁶. made up a Danish seine net which we tried out in the Nyanza Gulf using an old 24 foot wooden boat, lent by the Kenya Fisheries Department.

The trials showed that this type of fishing unit could employ about eight men, and catch between 80 to 160 kgs. fish a day. The cost of such a fishing unit was about Shs6,000, and within the reach of canoe owners who had reached the management limit of three canoes.

Unfortunately, because of events in Uganda in the late 1970s, the UNDP stopped the project before any demonstration and extension work could be carried out among the local fishermen. Later there was a report that trawlers had indeed started to operate out of the Kenya portion of the lake!

In this example the anthropologists and sociologists performed three mutually supporting activities; they made an assessment of the magnitude of the problem, they made in-depth studies of local fishing communities, and they attempted together with technologists, to propose a new technology which could be taken up by the local people, without the intervention of the city based banks and entrepreneurs.

The applied anthropologist is often effective in assisting with trials and demonstrations, in collaboration with technical professionals. Not only can the applied anthropologist often communicate more effectively with the people involved in the trials, but because of his training and experience, tends to more carefully observe what is happening, ask more questions, and not take anything for granted. The applied anthropologist can also project his thinking ahead and foresee some of the ramifications and effects of a new technology. These points are illustrated by an example from another fisheries project, this time in Ghana.

new nets for old

After the formation of the Volta Lake, the numbers of fishing units increased far beyond the predictions of the Jackson report,¹⁷. Also, instead of an annual catch of 6,000 tons, a maximum of 60,000 tons per annum was achieved¹⁸. The main part of the catch was through the use of gillnets made of multi filament nylon. However in the 1960,s, a new material, mono filament, was developed in Japan and although un tried in Ghana was reported to catch two

to three times the weight of the older type of net. Scepticism was openly expressed by various expatriate advisers who opinionated that the mono filament nets could not increase the catches of the Ewe fishermen on the Volta Lake. They argued that the net required a different knot unfamiliar to the fishermen ; the nets would, because of their springy nature, spill out over the sides of the canoes when being carried; the nets would become clogged with Mayfly larvae in certain seasons; the fishermen would not know how to set the nets properly in the water.

Finally the project purchased some mono filament gillnets and the Project Manager instructed myself and an adviser from New Caledonia to carry out trials cum a controlled experiment to see if the sceptics were right. The trials were conducted over about 100 square miles of lake using two or three fishermen in each of a number of fishing camps. By comparing the catches taken by the new nets with those of the old ones of similar mesh size, we established that the mono filament nets caught two and a half times as much fish as the older multi filament gillnets.

The objections of several experts were in this case overcome empirically; the fishermen did know how to tie the new knots, they could set the net properly, they prevented it from springing out of their canoes by laying a spare paddle or two on top to weigh them down. The Mayfly larvae seriously clogged up the nets, but were easily cleaned by laying them on the ground and allowing the chickens to peck them clean.

The trials and demonstration of the mono filament nets were so successful that the project stores were broken into and most of the stock stolen shortly after. The Ghana Government then issued import permits to make the new nets generally available.

As an example of a systems approach being adopted, a number of fishermen were selected for a study of how they utilized their time. A number of volunteers wrote down everything the fishermen and their wives, did and the amount of time spent over a ten day period. As a result of this enquiry it was ascertained that the provision of small outboard motors would not increase the income of fishermen, but actually reduce it, as the time taken to paddle to their nets was insignificant in comparison to the time taken on net repair, marketing, social events

and ritual. .

It was found that Tongu Ewe fishermen already had their own system of expanding the capacity of the basic husband and wife team, through the use of assistants (adegbovi) whose number were increased or decreased according to the productivity of the lake at different times of the year. Labour not required by the fishery then engaged in farming, which acted as a buffer.

4. PROJECT IMPLEMENTATION

An applied anthropologist working in the pre-implementation stages of projects has a fair amount of scope to help shape the design of the project. During implementation, the opportunity for introducing new ideas is limited because by the time the project has reached this stage the objectives, scope, numbers of beneficiaries and the organization have already been set.

This is not to say that modification cannot or does not take place once a project has started. There cannot be many large scale projects which end up exactly as planned, for all the careful analysis and preparation which has been made. In fact, as Hirschman in his book describes²⁰, a common result of problems arising during project implementation, is modification which considerably improves on the original concept.

There is a distinction to be made between programmes being undertaken by national agencies, government or otherwise, and projects which are a subset of activities within an existing programme. Most of the assistance provided by donors is to projects, and in cases where capital is being provided by the donor, changes in project design, organization or modes of implementation can be insisted upon by donors, and even made a condition before the loan or grant is approved. In cases where technical assistance in the form of advice only is being given, changes can only be effected after careful fact finding, analysis, synthesis, and powers of persuasion have been utilized. Technical assistance unlike capital aid has very little leverage, but can have great influence over an entire programme, which also includes capital aid projects. However there are many cases where innovations introduced in projects with loan funding have later been adopted for national programmes.

For the applied anthropologist the question of scale is crucial, as it determines where in the project and its organization he should direct his efforts in order to ensure that some benefit for the farmer or fisherman (for example) will follow. As mentioned, in a small scale project the applied anthropologist can get to know the people who are to benefit from the project personally in many cases. As a result their views and concerns can be accommodated in project implementation. In contrast, in a very large programme like the Indonesian transmigration of rural poor from Java and Bali to

the less crowded outer islands a different strategy is required. In a very large project or programme where it is impossible to meet even a small proportion of beneficiaries, the applied anthropologist must try to identify from field work in selected areas the main constraints to development. The next task is to identify what impediments to useful changes in design or implementation exist, and then to select as few as possible and attack these by preparing short reports and memorandum followed by discussion with those people who can influence policy.

By way of example, in 1974, having visited a number of transmigration settlement areas of various ages I discovered that although each family were given only two hectares, there was an assumption that irrigation would be provided, which would more than double agricultural output. However on checking with the Irrigation department it was ascertained that they had neither the capacity nor plans to provide irrigation for new transmigration projects. As the government intended to move 250,000 families in the second five year plan period it meant they, like their predecessors would wear out the soil on their two hectare holding, and be reduced to the poverty line after 5 to 8 years.

At this time the World Bank and the FAO were trying to persuade the government to provide tree crops to settlers, which would provide a cash income not attainable through the usual food crop cultivation. This would however require a larger holding than two hectares. Having clarified from the various laws, statutes and directives that there was no legal or administrative objection to providing larger farms it was suggested to the then Director General of Transmigration, that he propose to plan and implement a large scale settlement project in which each family would be given five hectares. In this case the technical reasoning was that it would be good if the government provided a tree crop (rubber) and cattle, but if it did not, and it certainly could not provide all families with these expensive inputs, the farmer could in the very worst situation practice land rotation on his land, allowing most of it to lie fallow while he grew enough for his domestic needs. The recommendation was never made formally, but introduced by the DG himself as his idea, which made it more palatable and enabled the project to go ahead. The applied anthropologist should to the extent possible, use

the power structure which exists, and not concern himself with accruing credit from lengthy and complicated reports.

The settlers have been in Pematang Panggam for eight years now, and although they received a few rubber seedlings and lately, cows, the rubber was not properly managed, and the farmers are practicing shifting cultivation, or land rotation on their holdings. At least they have survived and have not deserted the settlement, and there is a plan to introduce a second stage development project for the 20,000 or so people in the location. Elsewhere the government has provided some 400,000 families settled since with from between three point five and five hectares on unirrigated settlement areas.

The recommendation to provide a larger land holding was made by an applied anthropologist on a technical assistance project. The accompanying recommendation to provide a tree crop-rubber, to the settlers was all but ignored. However, rubber was provided to settlers under the World Bank assisted Transmigration I project because it was a part of the loan and credit agreements. As a result of the success of the Trans I project, as it is called, a national programme, Perkebunan Inti Rakyat (PIR), or Peoples Nucleus Estate programme has subsequently been developed to provide many other settlers with estate crops. Quite clearly there are limits to the influence an applied anthropologist can exert in persuading governments to make new and high investments unless he is backed up by a source of funds.

A further way in which the applied anthropologist can promote development programmes and projects is through the analysis of major government institutions, even Ministries and Departments. An analysis of the office of the the Junior Minister responsible for coordinating the Indonesian transmigration programme was made, more or less as an adjunct to an evaluation of the programme as a whole. A brief description of the organization and its inherent weaknesses in terms of responsibilities and powers was put in a report, with three optional arrangements put forward, ranging from a full scale Ministry with executive authority down to a slightly strengthened Junior Ministry. In the event the full Ministry was created, largely because the government as a whole was pleased with the success of the new Minister in his former more limited capacity as Junior Minister.

types of project organization

By definition capital projects financed with loan funds must have a positive rate of return. To achieve this in the case of projects based on agriculture, the farmers must progress beyond subsistence and produce a surplus for the market. In the case of the Trans I project, a combination of foodcrops, cattle and rubber production by the settlers achieves this. A major problem of developing countries is the general introduction of improved technology, such as high yielding crop varieties, the use of fertilizer, and so on. The technologies themselves are often well known and readily available, but the management and technical advisors necessary for their introduction are usually in short supply. To overcome the lack of strong direction and management within government programmes, donors frequently insist on special arrangements being made to make sure that their project is a success.

The concept of a project management unit, or a development authority is commonly employed, usually to ensure the project is implemented according to plan. The more advanced the technology to be employed, and the less familiar the beneficiaries are acquainted with the crops to grown or the work regime to be followed, then the stronger the management unit.

A good example of this is to be found in the Awash Valley Authority Settlement in Ethiopia. The Afars, a nomadic tribe were settled and expected to grow cotton on irrigated land, both of which were unknown to them. An evaluation mission by consultants noted "It is expected that the AVA can never abdicate its role as planner, controller and advisor of present and future settlements in the area of its jurisdiction." This conclusion having been reached after noting, "the present organization is paternalistic and aims at minimizing risks."²¹ The mission also noted that the socio-economic background of the Afars had been ignored, the trainers did not speak their language, and although their earnings were good by local standards, the trainees were little better than labourers. Their initiative had been stifled thus perpetuating the need for supervision.

This type of project organization not only turns people into labourers, but by destroying their initiative weakens their ability to make any kind of decisions on their own behalf, with the consequence

of reducing them to becoming dependant 'wards of the state.' It is possible to design development projects which take the socio economic background of people into consideration, along with their skills and lifestyles, and still show a positive rate of return. Yet another World Bank project provides such an example, this time the Savannah Development Project in the Sudan. This project involved 35,000 families made up of pastoral nomads and farmers. The farmers having progressively encroached onto the transhumance routes linking the summer and winter grazing.

The project made extensive use of local traditional leaders, a move initially opposed by the government but later vindicated by success, and took the needs and aspirations of both nomads and farmers into consideration. The project is moving 2,500 farmers to 30 new settlement sites where they will eventually crop 16,000has., leaving the cattle routes clear and again permitting seasonal grazing. The objective of the project was to "reverse the trend of ecological degradation within the project area"²²; however in achieving this objective, it has been realized that people are both the causes of the problem and the appropriate beneficiaries of the project.

These two examples illustrate some of the principles already mentioned and which can be usefully followed by the applied anthropologist, or any other professional, i.e. to promote or encourage people to develop themselves, and where necessary provide them with the means to carry it out. Also to use the forces or momentum which are already in society rather than to try and oppose or block them. And keep in mind that people should reap the rewards of development as well as the state, and people should not be reduced to being the mere tools of development.

5 CONCLUSIONS

It is hoped that this paper has provided some impression of the kinds of activity applied anthropologists find themselves involved with, and the various levels of bureaucracy they must work at.

There is a serious shortcoming of the profession, that of providing training in the application of anthropological skills to real world problems and situations. In the case of engineers, architects, agronomists and even some economists, there is an apprenticeship period which is often

followed by a junior professional period of work, often under supervision by an experienced person of the same profession. Anthropologists on the other hand, seem to be expected to come up with instant advice and solutions once they have completed a PhD thesis.

Too often clients having acquired an applied anthropologist 'off the peg' are disappointed that quick and simple answers are not forthcoming, and the applied anthropologist for his part becomes frustrated because his employer or client does not appreciate the boundaries of his skills, and therefore cannot write him a clear job description. This often results in the anthropologist following personal research interests of little value to the client. Universities should recognize the important role that anthropologists can play, and develop programmes to adequately prepare them for it. By ignoring this need, the proponents of the profession may in fact be damaging the image of anthropologists in general.

The Sociological Group of the World Bank:

An Analysis of its Activities

Dr. Nûket Kardam
Department of Political Science
Michigan State University

This paper is about the Sociological Group, an informal, in-house group of the World Bank and its contribution to the World Bank's activities as a large-scale organization. The members of this informal group are the Bank staff members, who are mostly social scientists by training. I will describe the various activities of this Group, and analyze show how it has functioned since its inception in 1977 in two major ways: to disseminate new knowledge and research findings in order to create awareness and recognition of sociological issues among staff members, and to elicit the support of the management so that sociological issues are incorporated systematically in the Bank's project, program and sector work.

The establishment of any direct causation between the activities of the Sociological Group and the incorporation of sociological knowledge in Bank activities is a problematic one, because of the difficulty involved in separating out the Group's pressures for change from other pressures. The Sociological Group is one "peg" in this puzzle, but there are, of course, many other factors that need to be taken into account for an in depth, systematic explanation of the response to sociological issues in the Bank.

What I propose to do here is to focus on the contributions of the Sociological Group, as an informal group, to the Bank's incorporation of sociological knowledge in its activities. To

place the contributions of the Sociological Group in context, I will first offer a theoretical framework that shows how one may analyze the process of incorporation of new issues in large scale formal organizations and the place of informal groups within this process.

The incorporation of sociological knowledge in World Bank activities: A Theoretical Framework

A full assessment of the incorporation of sociological knowledge in the Bank's activities would require the examination of the programming, procedural, budgeting and staffing changes on behalf of it. The extent to which this goal has been achieved can be assessed by using the following indicators: The use of sociological/anthropological knowledge in the Bank's project, sector, country and research work; the change in policy guidelines to incorporate such knowledge; staffing changes, i.e. the increased employment of social scientists and their participation at all levels of Bank activity; and the allocation of resources for the incorporation of sociological knowledge.

The extent of the incorporation of sociological knowledge may be explained as the result of an interaction between the particular organizational conditions of the Bank and the internal bargaining processes. The organizational conditions may be categorized as the nature of the organization's interaction with the environment, organizational structure, goals, and

procedures.

From a theoretical perspective, the "paradox" of international agencies is that, although they are by definition the creatures of agreements among sovereign states, they are also among the most formally institutionalized features of the international economic regime. They have large professional-technical staffs, full-blown bureaucratic structures, and ingrained routines, all of which may be influenced by a variety of professional and organizational norms distinct from "state interests" or "regime norms and principles". As organization theory suggests, organizations are not simple mechanical tools obediently doing the work of their creators, or following the norms, rules and procedures set by an "international regime". Instead, they are live collectivities interacting with their environments, and they contain members who seek to use the organization for their own ends, often struggling with others over the content and allocation of the product. These dynamics produce a distinctive² organizational character over time.

Organizational sociology has made an important contribution to the study of organizations by discussing how organizational performance -effectiveness and efficiency- is affected by an interrelated set of conditions. It has shown that the interaction of organizational environments, goals, structure and procedures affect the character and performance of

3
organizations.

Organizations influence their environment and in turn are influenced by it; in other words, they are interdependent with their environment. The nature of the environment can be characterized as a "network" within which organizations exchange political support, information and financial resources.⁴ Within this "network", actors enter into alliances with others in pursuit of certain goals, within or beyond the organization.⁵

Organizations attempt to shape the external environment in a manner that will safeguard the organization. At the same time, environmental forces shape goals, boundaries and internal activities of organizations. In the case of international development agencies, their activities are influenced by other multilateral, bilateral or private funding agencies which may cofund their projects, supply research or personnel. How important actors in an agency's environment see a particular issue will affect its treatment within that agency.

Organizational goals also affect performance and if a new issue fits into the organizational goals, its incorporation is more likely. All organizations are created to achieve identifiable ends or goals. There are the "overt" goals, what agencies are set out to do. These goals do not change, even though different executive heads may emphasize different "strategies" to achieve them.⁶ By choosing one goal over another organizations also

choose a particular "interpretation of the environment", a normative basis on which the chosen goal rests.

In order to achieve their goals, organizations adopt certain procedures, methods and technologies. The particular approaches and strategies utilized call for a particular kind of staff members with special skills, knowledge and training. Since different professions bring different policy definitions, data and methodologies to the policy arena,⁷ the fit of a new issue or set of issues into the existing procedures and its acceptance by the professional staff who utilize these procedures would increase the chances of their incorporation.

The organizational conditions set the stage within which individual actors bargain over implementation. One "means" of bargaining is to set up an informal group that serves as a focal point for "change advocates", and that helps them to elicit management support for, and intellectual acceptance and recognition of a set of new issues. Such groups are limited by the organizational conditions they find themselves in; at the same time, by acquiring "political clout" and by disseminating information, they contribute to change. The World Bank's Sociological Group is a good example of such an informal group. The following section focuses on internal bargaining process and the role of informal groups within this process.

The Internal Bargaining Process

Some staff members may act as "policy advocates" for new issues both in their formal and informal roles. Who are these "policy advocates"? Folsby suggests that policy innovations belong to interest groups and persons who take an interest in identifying new issues and who specialize in acquiring and deploying knowledge about policies.⁸ He calls these people "policy entrepreneurs" who, by the skillful mobilization of substantive justifications and the accurate identification and thoughtful cultivation of allies, can and do bring a policy into being.

It is the professional staff in agencies who are charged with designing and implementing policies; therefore, they are the ones who are likely to act as policy innovators, as well as the ones who will ultimately determine the acceptance and implementation of a new policy. According to Rourke, for example, management can only provide guidelines but, in fact, it is the professional staff who implement policies.⁹ Different professions bring different policy definitions, data and methodologies to the policy arena so that the professional norms, values and paradigms that the staff work with and feel accountable to are important factors in explaining change.¹⁰ For example, Levy, Meltsner and Wilsdavsky argue that, in several policy areas in urban government, professional conceptions of policy determine the types of actions taken by city departments and the outcomes for citizens.¹¹

The values derived from membership in a profession may or may not clash with the values pursued by the organization or implicit in what the organization calls upon the professional to do.¹² Whereas bureaucrats can define their role as pursuing the objectives specified by the institution, professionals in bureaucracy have an additional layer of disciplinary standards and objectives that enter into their role conception. This does not mean, of course, that the objectives and rules of discipline are necessarily defined clearly or interpreted uniformly. But it does mean that professionals may experience conflict between the behavior they are called upon to pursue on behalf of the organization and the standards they interpret as consistent with professional obligations. They can object righteously. One way to turn such objections into new policies that incorporate and deal with them is through the formation of informal networks.

Policy innovators, through informal networks, may try to bring about change through knowledge dissemination, as well as an active involvement in "bureaucratic politics".

In organization theory, formal structures purposefully designed to regulate behavior in the service of specific goals are seen to be greatly affected - supplemented, eroded, transformed - by the emergence of informal structures. One way to distinguish between formal and informal structures is to equate formal structures with those norms and behavior patterns that exist regardless of

the characteristics of the individual actors. Informal structures are those based on the personal characteristics or resources of the specific participants in the situation.¹³

One of the most interesting insights of the natural systems perspective in organization theory is that the formal and informal structures exist side by side and that informal structures are not idiosyncratic beliefs and behaviors of individual participants. Participants within formal organizations generate informal norms and behavior patterns: status and power systems, communication networks, sociometric structures, and working arrangements.

Participants in informal networks, just as those within formal ones, enter into alliances with others in the pursuit of certain goals.¹⁴ One such goal is to affect change by acting as "policy entrepreneurs".¹⁵

What makes "policy entrepreneurship" possible? What are some of the incentives to form and work within informal networks? A network of professionals from similar disciplines, holding similar values may be able to promote their intellectual growth better in such a network than in their formal positions. Such a network highlights their role as experts in their discipline and it provides a focus on issues of common interest for members of the network. In addition to functioning as a mutual support group, informal networks may aid in the institutionalization of

new policies by disseminating and legitimizing new knowledge and by engaging in activities that bring about policy change.

Such groups may function as support networks in bringing those staff members who share a similar disciplinary outlook and enables them to share conceptual frameworks and research results. They may also function as a forum where information is disseminated to staff members outside the group. Last but not least, such groups may legitimate the initiatives of group leaders, "the policy entrepreneurs"; they may serve as a forum where discussion of new policy guidelines, and of structural changes needed to incorporate new policies take place.

I now turn to the World Bank's Sociological Group and discuss it as a case study that illustrates how informal groups contribute to the incorporation of new issues in the work of large scale formal organizations.

The World Bank Sociological Group and its Activities

Why would a World Bank staff member promote or oppose a new development strategy within the range of discretion established by organizational constraints? The straightforward model of the staff member as a bureaucrat motivated to advance a career or to defend the Bank against the world outside is not a sufficient explanation. One of the most important sources of pressure for change for the World Bank is the apparent intractability of

development problems in the face of the succession of approaches employed by development agencies, both national and international. Yet this search is constrained by attributes of the organization's personnel stemming from both their formal positions within the organization, as well as their roles as professional experts and intellectuals.

Beyond the staff members' status as members of the organization, their other attributes also figure in organization theory. First, the World Bank staff are professionals. As economists, sociologists, or engineers, they are professionals bound by the ethics and standards of the discipline. In contrast to generalist bureaucrats, who owe their standing almost exclusively to their position within the organization, World Bank professionals are likely to hold a set of values derived from membership in the profession.

The members of the Sociological Group are social scientists whose formal responsibility may or may not fully use the social science training they have received. The Group was formed by a small number of like-minded staff members (the number of core members do not exceed ten) with similar training and concerns. The Sociological Group as an "informal network" supported and strengthened the Group leader, Michael Cernea's formal role as Sociology Adviser. It also served to bring together social scientists, who are otherwise isolated in the Bank, legitimizing

their work and enabling individual staff members to make suggestions for policy and programming changes to the management as a "group".

A Description of the Sociological Group's Activities

The Sociology Group meetings can be divided into three categories according to what type of audience they targeted: a) Seminars for members of the Sociological Group; b) Seminars for Bank staff at large and designed for social scientists in mind and; c) Seminars for Bank staff at large and designed economists and technical specialists in mind.

16

Out of 80 meetings held between May 1977 and September 1988, 7 were for the members of the Sociological Group only. The rest of the meetings have been aimed at the Bank staff at large, either designed particularly for social scientists or for economists and technical specialists.

The seminars have been held on a wide range of topics to show how sociological knowledge can be utilized and incorporated in different substantive areas in the Bank's work. These areas include involuntary settlement, credit, tourism development, pastoralism, livestock development, transportation, rural development, nutrition, irrigation, water supply and waste disposal, population, tribal populations, education, urban shelter, appropriate technology, communications, rural

cooperatives, local level participation and natural resource management.

30 out of a total of 80 meetings were devoted directly to sociological issues in Bank projects: how sociocultural considerations, or the lack thereof influence Bank projects, as well as how Bank projects can be made more effective by incorporating these variables. Some meetings focused on particular sectors of a population such as women, tribal people, farmers, Amerindians were affected by Bank projects such as seminars on "Implications for Women of Bank Projects", "The Pygmies of Congo and the Impact of Bank Projects", "Indian Protection Issues in Rural Development Projects in Northwest Brazil". Others emphasized how sociological variables could be incorporated into Bank projects to increase their effectiveness such as "Impact of Sociological Research Findings on Bank Operational Work in the Education Sector", "Translating Sociological Research into Operationally Usable Findings", "Eliciting Population Participation in Project Design and Implementation", "Sociological Workshop on Sociocultural Variables Affecting Agricultural Projects".

29 out of the 80 meetings have been held on general development topics of relevance to the Bank staff's work, but not directly related to project activities. For example, the seminars on "Common Property Resource Management", "Lands at Risk in the

Third World", "Irrigation Management with Farmer Participation", "Farmer Organizations for Sustainable Irrigation Development" come under this category.

Besides project related and general development topics, meetings of the Sociology Group have focused on the following: 6 have been devoted to Workshop/training sessions, 5 to the discussion of policy guidelines, 4 to the reorganization of the Bank, 3 to the position of social scientists in the Bank, and 3 to planning sessions of the Group's future activities.

Over the years, certain topics have received more extensive treatment than others. Two topics that stand out in terms of the number of meetings that focus on them are land resettlement issues and issues related to tribal populations. Out of 30 meetings, 9 focused on involuntary resettlement issues and 6 on tribal issues.

Usually, outside experts have been invited to give seminars on general development issues of relevance to the work of the Bank staff, or to conduct workshops, while staff members have been invited to talk on their experience with specific projects or the findings of a study they have conducted. Out of 66 speakers, 23 have been invited from outside the Bank, some more than once. The outside speakers are mostly academics, (sociologists, anthropologists, political scientists) working on development issues from universities such as Cornell, California Institute of

Technology, Harvard, University of Wisconsin at Madison, University of Michigan, Boston University, or they are development practitioners representing institutions such as the U.S. Agency for International Development, Cultural Survival, World Wildlife Fund, or the Food and Agricultural Organization (FAO). The rest of the speakers have been Bank staff members, who present their field experience or research. The list of meetings shows that, the core members of the Sociological Group have presented material or led discussions more than once. Among this group are, Michael Cernea, Gloria Davis, Maritta Koch-Weser, Gloria Scott, Michael Bamberger, Stephen Heynemann, J. de Regt and Cynthia Cook.

After the above description, I will turn to the question of why was this Group was formed, and what purposes it served. Even though his formal responsibilities do not include leading an informal group, the activities of the Group have been complementary to the leader of the group Michael Cernea's formal duties as the Bank's Sociology Adviser. These formal duties include, among others, "advising management on the formulation of Bank policies on socio-cultural issues and to take direct charge for writing such Bank policies: to ensure the treatment of the range of social issues that are present in agriculture, to identify emerging socio-cultural issue in the implementation of Bank policies and projects, to feed forward lessons of experience into the formulation of guidelines and approaches for Bank

operations; to sponsor new research and to absorb in-house the findings from outside sociological research that are relevant to Bank work".¹⁷

As organization theory suggests, the personal characteristics of individuals are very important in determining the nature of informal arrangements. In the Bank's case, the leadership and dynamism of Cernea played a major role in the formation and evolution of the Sociological Group. Many staff members mentioned in interviews that it was his "dynamism" and "access to senior management" that has played a major role in the Group's effectiveness.

One person, of course, without the support and cooperation of others cannot make a group activity effective. In an organization dominated by economists and technical specialists, a number of social scientist staff members supported and actively participated in an informal group that emphasized "the relevance of sociological knowledge for Bank activities". They saw this informal network as a mutual support mechanism that strengthened and complemented their formal roles, and served the dual purposes of contributing to the recognition of sociological knowledge on the one hand, and to policy changes on the other.

The networking role of the Sociological Group

The members of the Group mentioned its important role as a

mutual support network that brings together social scientists working on different issues and encourages and strengthens their work. As one staff member commented:

I attend the Sociological Group meetings because it shows that one is not alone, that others have the same ideas; we learn from each other's experience and interpret Bank policy.

As another staff member put it: "The Sociological Group was initially a small group who wanted to make a difference and gain credibility of their viewpoint. They supported each other, criticized each other's work before it went to others. They wanted to make each other successful in a quantitative organization."

The Group also served as a "sounding board" for members who wanted feedback on new ideas before presenting them to others. As one staff member mentioned:

When you come up with a new idea, you need 5-6 people to support it before you even air it out. And those 5-6 people will tell you who else will support the new idea. That way you build a network. The Sociological Group was used in this way.

The Sociological Group has also served a liason function. The Group members have made contacts with those units with complementary interests. For example, the Group members have supported the work of the Women in Development office. As one

member of the Group indicated in a memo:

Quite a bit of interesting work is being done in preparation for the forthcoming workshop on Women in Development. Most of the Sociological Group may already have been co-opted into this effort, but perhaps the Group could also serve as a liaison and/or dissemination function in connection with this workshop. We should at least be sure to get on the distribution list for case studies and conference proceedings.

The dissemination of sociological knowledge

Besides the networking function among social scientists, the Group activities have served to disseminate sociological knowledge to a Bank-wide audience, to increase awareness and recognition for such social issues. Most of the meetings (except 7) have been open to staff members and attendance has ranged from about 15 to 50 in general. The most recent series of seminars, the Roundtable series on "Agriculture and Natural Resources Management: Sociological Dimensions" in 1988 have, according to one staff member, lifted the Sociological Group meetings to "a different plane". In these meetings attendance have exceeded 100; division chiefs have acted as discussants and many staff members have become aware of the Group for the first time. (In fact, one staff member thought that those seminars were the first ones organized by the Sociological Group.)

The Sociological Group has not just created awareness through public seminars, but has also organized workshops and training

sessions. Sociological training of Bank staff has been carried through a series of discreet workshops focused on subsectoral topics, followed by a general course to acquaint Bank staff with the methods available to them for tackling social issues in projects. These workshops include the workshop on "The Sociological Dimensions of Settlement Projects, May 1977, workshop on Sociological Dimensions of West African Pastoralism, March 1978, workshop on Sociological Variables of Irrigation Projects, October 1978. Sociological Workshop on Mobilization of Farmers - Resources for Development in the Yemen Arab Republic, November 1981, Workshop on Rapid Social Appraisal Methods, October 1982, "Sociology for Non-Sociologists" a Three day Course, proposed January 1983, Sociological Workshop on Sociocultural variables affecting agricultural projects, June 1983 and two training courses on "Treatment of Resettlement in Bank-Financed projects, 1986.

Another effort in information dissemination has been the contribution of the Group members to a book authored by two members of the top management in the Bank, Investing in Development: Lessons of World Bank Experience.¹⁸ The Group invited the authors to their meetings to discuss in the planning stage of their book to discuss social analysis in projects. As a result, a chapter on "Social Analysis" written by the members of the Group was included in the book.

Finally, the activities of the Sociological Group do not only serve a "networking" and knowledge dissemination function but have also contributed to policy changes. As is well known, new knowledge is not absorbed automatically; what is also necessary is "bureaucratic politics", the ability to influence policy, program and staffing changes so that new knowledge may be incorporated into an agency's activities.

Policy Relevant Activities

The Sociological Group has engaged in a number of what I will call "policy relevant activities" that include the discussion of policy guidelines, the position of professional social scientists in the Bank, the restructuring of the Bank that took place in 1987, as well as the written communication of the core members of the Group with the management on the issue of sociological knowledge and its place in the Bank.

The Sociological Group met to discuss the drafting of guidelines on the "sociological appraisal of projects", "involuntary resettlement" and "tribal populations." and "Guidelines for Project Preparation". These discussions served as a focal point that legitimized and endorsed the drafting of new guidelines on these issues by the Sociology Adviser and others in their formal roles. The discussion of policy guidelines in the Group's meetings have not directly led to policy changes (and they were not meant to since the Group has no policy-making power).

However, the meetings did serve to legitimize issues, to provide a forum for the input of members and to serve as a sounding board for those staff members whose formal responsibility included review of policy implementation and the drafting or revising of policy guidelines.

The Guidelines on "Sociological Appraisal of Projects" (OMS 2.20) were discussed and revised with the input of the Group. The new version of OMS 2.20 issued in 1984 for the first time introduced formalized requirements for the sociological appraisal of Bank projects. The Group met on February 28, 1984 to discuss how to support the implementation of the new OMS 2.20. The director of the Projects Policy Department (PPD) was invited to this meeting.

Guidelines (Operational Manual Statement, No. 2.34, issued on February 1982) on tribal issues were also discussed in the Group's meetings. In September 3, 1988, the research director with Cultural Survival (Boston) who is carrying out a study on the application of the Bank's guidelines on tribal populations to Africa was invited to discuss his views.

Another set of guidelines that the Group met to discuss are those on involuntary resettlement. In February 1980, a special policy statement (OMS 2.33) was issued, entitled "Social issues associated with involuntary settlement in Bank-financed projects". This is the first policy statement issued by any

International development agency on this subject. As mentioned earlier, 9 meetings of the Group focused on resettlement issues and the guidelines.

An operational policy review was undertaken in FY1985-86 by the AGR Sociology Adviser on the implementation of Bank policy for resettlement and the lessons learned. The report discussed how a trend toward weaker adherence of the policy statement on involuntary resettlement had gradually set in, partly due to the weak structure for policy enforcement, guidance and follow-up in the Bank's regional departments.

In June 1986, this report was discussed at a meeting of all Operational Vice-Presidents who endorsed the report's findings and recommendations. The OVPs took the decision to a) issue a new Operations Policy document, incorporating the review's recommendations, b) allocate two new positions in OPS and EGY to address resettlement issues and c) start a Bank-wide corrective action effort for improving ongoing projects in midstream and for resolving outstanding resettlement problems identified by the AGR review.

As a result the new lessons and findings from the operational review were issued by OPS/AGR to all Bank staff as the Operations Policy Note 10.08: "Operations Policy Issues in the Treatment of Resettlement in Bank-Financed Projects." According to the Progress Report of the AGR Office, "The policy effort (the new

OPN) and the analytical effort are producing a significant impact¹⁹ on operations in all Bank regions". In April 1988, the World Bank Technical Paper No. 80 was published, authored by Michael Cernea, on "The Involuntary Resettlement in Development Projects: Policy Guidelines in World Bank-Financed Projects".

As one staff member stated, "in resettlement, both advocacy and control has been achieved, There is now veto power; projects with resettlement issues have to be seen by sociologists". This achievement has been the result of the interaction of the formal and informal roles (as members of the Sociological Group) of the relevant staff members.

Besides the contribution to the formulation and application of policy guidelines, the Sociological Group has made an effort to help enhance the position of social scientists in the Bank and make sure that the restructuring process took the consideration of sociological issues (with its implications on staffing and programming changes) into account.

The group members have worked to ensure that social scientists in the Bank have satisfactory careers and that more social scientists be hired in program and project officer positions as well as in the OPE in all sectors. They have done this by holding meetings on how social scientists can enhance their careers within the Bank, as well as writing letters to the Bank management on the role of social scientists in Bank activities.

For example, they have pointed out that:

Staffing patterns of many major development agencies are not consonant with their declared goals and strategies. Current staffing mixes are often a frozen remnant of prior philosophies and policies. We have to stress the professional side of the social analyst, that they have a technical expertise. Their expertise has to be recognized and deemed necessary. Development practitioners don't realize that one needs professional knowledge, training methods to do social analysis, but that they just need 'common sense'!

During the period of a the Bank's job regrading exercise in 1983 that involved regrading staff positions and changing position descriptions, the group met to discuss the implications of this exercise for the career developments of social scientists in the Bank. The memo written by a member of the group who worked on the job regrading exercise concluded that:

The grading exercise can work for us as well as against us. We can make the most of it by sharing information about what we do and what we think should be done by people in our positions; also about discrepancies between our own perceptions and those of our managers. We need to be in close touch with each other as the exercise proceeds and, if necessary, to stand together in defense of the discipline. We should take this opportunity (among others

to articulate to the management the fundamental role of social science in understanding the development process, the necessity of having competent advisers in this area in every branch of Bank operations, and the desirability of recruiting and promoting Bank staff with social science backgrounds.)

Members of the Sociological Group wrote to senior management on "The Use of Social Scientists in the Bank" and recommended that social scientists be placed in Regional Front Offices, OPS departments and Operational Departments and a Unit on social issues be formed within OPS "to provide guidance to Bank management, and a focal point for regional/sectoral specialists and for Bank borrowers".²⁰

This memo concludes by pointing out that:

The present Bank structure does not sufficiently institutionalize quality control across all sectors with respect to human and social factors in Bank lending. We, therefore, request your assistance in calling the need for positioning social scientists centrally, regionally and sectorally, to the attention of regional and senior Bank management and in setting up a unit within OPS to be responsible for social matters.

The Sociological Group has also sought to take advantage of planned structural change in the Bank by offering suggestions on how to integrate sociological/human/cultural elements into the Bank's activities. Cernea, the Group's leader, proposed the establishment of a human resources (HRD) department in the Bank. This department would carry out policy and research work that focuses on human resources development and poverty alleviation. The following divisions/units would comprise the HRD department:

- (1) Poverty policy and studies
- (2) Public Sector Institutions
- (3) Human Factors and Local Organizations
- (4) Women in Development
- (5) Population and Nutrition
- (6) Education and Social Services
- (7) Research

Cernea suggests that the staffing patterns of the HRD Department need, by design, to be quite innovative compared to current Bank skill-mix patterns. To carry out its novel mandate, and to compensate for existing skill gaps in the Bank, the HRD Department would need to build up a strong group with expertise in applied/development sociology, anthropology, human ecology, political science, etc., besides the economists with expertise in human resource/poverty issues.

The Group invited the task force charged with the mandate of studying the human and natural resource environment of Bank projects and project to a meeting on "The Bank's Response to Environmental and Social Issues" on August 20, 1986. In this meeting suggestions were offered by the Group members on how to expand the Bank's in-house resources for the sociological aspects of both projects and programs.

One recommendation was to put sociologists with requisite operational skills in projects and program line positions. There should also be specialist positions for sociologists and environment experts in a few divisions where these issues are particularly salient and one position in the regional front

offices to support those divisions which do not have specialists of their own. Also, it was suggested that sociology advisers in several key departments in OPS (for example, in PHN, education, urban and others) be hired. Finally, the creation in OPS of a Division of Human Resources Development to provide intellectual leadership to the operational departments and articulate Bank policy was recommended.

21

The reorganization of the Bank reflects some of the above suggestions. There is now a Department of Population and Human Resources, and a Department of Environment within the Policy, Planning and Research Complex. There is also a Division of Environment in each Technical Department in Regions where sociological expertise is housed.

It is clear that some changes that incorporate sociological knowledge in Bank activities have taken place. Staff sociologists and anthropologists can now veto projects that do not follow guidelines on involuntary settlement. Anthropologists with expertise on resettlement issues are increasingly being included on worldwide Bank missions at different levels of the project cycle:

22

As indication of the increase in anthropological contributions in this topical area [involuntary resettlement], is the number of Bank field missions that have included anthropologists as experts. During 1986 and 1987, the Bank sent specially contracted anthropologists and sociologists, as well as staff

anthropologists, for 34 project missions specifically to work on resettlement issues (23 missions in 1986 and 11 missions in 1987). This is a multifold increase over any past similar period. 19 Bank-financed projects that include resettlement components were visited by anthropologists in 1986 and 27 projects were field-reviewed in 1987.....the 24 field missions attended by anthropologists were, in project terminology, of different categories: 13 were project preparation missions.; 27 were project preappraisal and appraisal missions...and 44 were project supervision missions.

The increased hiring of social scientists may partly be the result of the Sociological Group's efforts to articulate the need for sociological/anthropological expertise to the management. The Bank has recently hired additional resettlement specialists a regular staff: two anthropologists to work from Washington headquarters and a third specialist as a regular staff at the Bank's New Delhi resident office. Two other anthropologists have been invited to join the Bank as long-term consultants, concentrating full-time on resettlement work.

Some staff members suggested that "social issues" had "lost out" in the reorganization of the Bank in 1987. A Department of Environment has been formed but no Department of Social Issues or Affairs was formed, and social scientists have been absorbed within Environment units. Furthermore, there is now an ambiguity regarding who is responsible for "resettlement issues". As one staff members states:

the need for a clear institutional definition of where the present and future focus of Bankwide

responsibility for human resettlement and other related social issues (e.g. protection of tribal populations

will be located, including responsibility for the production of Bankwide guidelines, evaluations, and training courses.)

Conclusions

The Sociological Group has evolved over the years. Its evolution parallels increased awareness of sociological issues in the Bank. In the first few years, the Group consisted of less than 10 self-selected social scientist staff members; it was non-public and the meetings were mostly "brainstorming". The Group tried to identify sociologically oriented people in the Bank. Later, the Group began to invite staff members by writing memos to relevant division chiefs and asking them to bring the seminars that might be of particular interest to their staff's attention. As one of the members of the Group put it, the early stage constituted a conspirational, defensive stage. The next stage was the "opening up" with regular attendance of 20-30 people. The group survived its leader's sabbatical while others continued it; now its evolution has taken two different forms: meetings of informal working groups on particular issues organized by members of the Sociological Group such as the informal working group on human resettlement, and mainstream, structured seminars and roundtables for Bank staff at large, including technical specialists and economists. An example of the latter is the series of roundtables organized around the

theme of "Sociological Dimensions of Natural Resource Management" in 1987 and 1988 and were mentioned in interviews as having been very influential in increasing the visibility of sociological issues. These roundtables have attracted a large number of staff (around 100 people including management) They attracted a mix of staff members from operational departments and the Policy, Planning and Research Complex. Division chiefs acted as discussants and vice-presidents summed up the discussions by suggesting operational conclusions for Bank policy and project work.

The Group also evolved in terms of its emphasis. As some staff members put it, "the Sociological Group went from emphasizing what is missed out by not examining social issues to how one can incorporate social issues". In other words, as the Group gained confidence, the approach has become more positive and constructive, emphasizing concrete ways in which sociological knowledge can be utilized rather than focusing on the weaknesses and failures of Bank's work as a result of the lack of attention to sociological issues.

As the Sociological Group evolved and matured and attracted more staff members and contributed to the formulation of policy guidelines on specific issues, so has the recognition of sociological knowledge in the Bank has increased. As some staff members indicated, the Bank is increasingly aware of the

importance of institutional and human aspects of development issues and that there is a "general feeling that economics is not sufficient for effective development".

These parallel changes do not necessarily imply causation. In spite of the wider audience drawn in recent years, one should keep in mind that the Group's impact still remains small. The largest attendance of meetings is approximately 100 to 150 people but even this number is a small number in a big institution like the World Bank. Furthermore, the Group may be drawing mostly those who are "already converted". In short, it may still be the case that a large number of staff members are unaware of the existence of the Sociological Group or its activities.

The increased interest in sociological issues may be due to various factors. For example, some staff members were mentioned that the heightened interest can partly be attributed to "external pressure" for change that convinced the Bank on the "non-economic aspects of development". The current emphasis on environment issues as evidenced by the creation the Department of Environment within the Policy, Planning and Research Complex and the Divisions of Environment within the Regional Technical Departments may have encouraged the consideration of the "human environment" as well. The Sociological Group, by combining issues of the natural and human environment in its recent, well attended, series of roundtables titled "Sociological Dimensions

of Natural Resource Management" have been able to acquire increased visibility and draw on a much wider audience than before.

The Sociological Group has, first and foremost, served as a network for likeminded individuals, coming from a social science background, to share ideas and research findings. It demonstrated to each member that he/she was not alone; before new ideas were taken further, members offered criticisms and suggestions on each other's work so that the Group functioned as a "sounding board".

The Group, as an informal network, complemented the formal roles of members. For example, the discussions on resettlement issues, lent legitimacy and contributed to the final formulation of policy guidelines on resettlement, which is one of the Sociology Adviser's formal duties. The Sociological Group has contributed most directly to the formulation of guidelines on resettlement and tribal population issues, and to procedural and staffing changes that make its implementation possible. However, one has to keep in mind that even though the contribution to "policy guidelines" is an important one, ultimately the question is whether the guidelines are followed and to what extent. As one staff member stated: "There is no consensus on the implementation of guidelines; and the guidelines may not necessarily be followed."

Along with contributing to the dissemination of sociological knowledge, the Sociological Group has served as an example to others and have encouraged the formation of informal groups on related issues. For example, one Group member indicated that he was inspired by the Sociological Group to organize an informal group to discuss issues of organizational design and development communication. Other members of the Sociological Group have recently organized working groups on particular issues, such as resettlement, tribal issues and land tenure. One staff member indicated that now brown bag seminars had become a tool of policy-making and served to disseminate new knowledge as evidenced by the huge difference between the number of brown bag seminars in late 1970s and now.

As is the case with informal structures, personalities of individuals have been instrumental in determining the focus and objectives of the Group. The most influential individual in this case has been the Sociology Adviser, Michael Cernea, who has been its leader, along five or six staff members who have, over the years, remained active members. Many staff members mentioned that it was Cernea who, with his clout, access to senior management and energetic leadership, has been instrumental in the continuation and the visibility of the Group.

In conclusion, this research reveals that the Sociological Group of the World Bank, as an informal group, has played three

major roles. For the members of the Group, it has served as a "networking mechanism" and complemented their formal roles. The Group has contributed to the recognition of sociological and anthropological knowledge, especially through its formal seminars for the Bank staff at large. By its focus on involuntary resettlement and tribal populations, it has also contributed to policy, staffing and procedural changes on these issues. Finally, the activities and communication of the Group members have brought to the attention of the management the relevance of sociological knowledge and the necessity to place social scientists in both operational and FPR positions and involve them at all levels of Bank activity.

Clearly, a complete understanding of the extent of the incorporation of sociological/anthropological knowledge in the Bank's activities requires extensive research beyond the scope of this study. Such a study would define a set of sociological/anthropological issues and then look at a sample of projects, the analytical and review work, sector work and country programs and the Bank research program to assess the extent of incorporation; it would also examine the policy guidelines, procedural and programming changes, as well staff composition over a period of time. As explanatory variables, it would explore the organizational conditions (the organizational structure, goals, general procedures), as well as the internal bargaining process within which individual actors, in their

formal and informal roles, strive to acquire support by top management and intellectual input and acceptance by staff members in order to achieve changes in policies, procedures, programming and staffing.

In short, as both students of organizations and practitioners know, incorporation of new issues requires both "visible support by top management" and "intellectual input and acceptance" by the professional staff. The function and activities of the Sociological Group, within this context, is an important one complementing and strengthening the formal roles of the Group members, and serving as a forum for eliciting intellectual recognition, as well as management support.

NOTES

-
1. In this report I will use sociological, sociocultural and anthropological interchangeably.
 2. Gayl D. Ness and Steven R. Brechin, "Bridging the Gap: International Organizations as Organizations," International Organization, 42, 2, Spring 1988.
 3. Ness and Brechin, Ibid.
 4. See, e.g. Richard Scott, Organizations: Rational, Natural and Open Systems, Englewood Cliffs, N.J.: Prentice Hall, 1987.
 5. Stuart Langton, "Networking and the Environmental Movement" in Environmental Leadership, ed. S. Langton, Lexington, Mass: Lexington Books, 1984.
 6. Robert Cox, "The Executive Head: An Essay on Leadership in International Organization," in International Organization: Politics and Process, Leland Goodrich and David Kay, eds. Madison, Wisconsin: The University of Wisconsin Press, 1973.
 7. Jack Knott, "The Multiple and Ambiguous Roles of Professionals in Public Policymaking," Knowledge, Creation, Diffusion, Utilization, Vol. 8, No.1, September 1986.
 8. Nelson Polsby, Policy Innovation in the U.S., New Haven: Yale University Press, 1984.
 9. Francis Rourke, Bureaucracy, Politics and Public Policy, Boston: Little & Brown, 1976, p. 115.
 10. J. Knott, "The Multiple and Ambiguous Roles of Professionals in Public Policymaking," Knowledge, Creation, Diffusion, Utilization, Vol.8 No. 1, September 1986, pp. 131-153.
 11. Frank Levy, Arthur Meltzer and Aaron Wildavsky, Urban Outcomes, Berkeley: University of California Press, 1974.
 12. Francis Rourke, "Bureaucracy in Conflict: Administrators and Professionals," Ethics 70 (Fall 1960), pp. 220-27.
 13. W. Richard Scott, Organizations: Rational, Natural and Open

Systems, Prentice-Hall: Englewood Cliffs, N.J., 1961, p. 83.

14. see P. Blau, The Dynamics of Bureaucracy, Chicago: University of Chicago Press, 1955 and M. Dalton, Men who Manage, New York: John Wiley, 1959.

15. See N. Pelsby, Policy Innovation in the U.S., New Haven: Yale University Press, 1984.

16. See Appendix for a complete list of meetings with dates, titles and speakers between 1977 and 1988.

17. Sociology Adviser, Position Description.

18. Warren C. Bau, and Stokes M. Tolbert, Investing in Development: Lessons of World Bank Experience, New York: Oxford University Press, 1985.

19. Progress Report: Actions Taken in Projects with Resettlement Problems, January 30, 1987.

20. "The use of Social Scientists in the Bank", memo from the Bank Sociological Group to Mr Visvanathan Rajagopalan, Director, FPD, November 9, 1984.

21. Memo on "The Bank's Response to Environmental and Social Issues - Minutes of the Sociological Group's Seminar, September 12, 1986.

22. Michael Cernea, "Development Anthropology at Work", September 1988.

APPENDIX

Seminars and Meetings organized by the Sociological Group of the World Bank

Date	Title	Speaker/leader of discussion
=====		
1. 5-25-1977	Workshop on the Sociological Dimensions of Settlement Projects	T. Scudder. California Institute of Technology
2. 7-1977	Sociological Dimensions of Agricultural Credit Projects Mobilizing Farmers Savings: The Indigenous Savings and Credit Societies	
3. 1-16-1978	Social Issues in Project Work	
4. 2-1-1978	Social and Policy Issues of Project Work (Cont'd.)	
5. 2-15-1978	The Social Impact of Tourism Development on Women: A Case from Mexico	Janet Kennedy Tony Russin
6. 3-1-1978*	Discussion of Draft of Section 4 of the OMS on Project Generation and Design	Francis Lethem
7. 3-15-1978	Implications for Women of Bank projects	Gloria Scott
8. 4-5-1978	Assessment of Workshop on Soc. Variables of Livestock Projects in West Africa; Comments on G. Scott's paper on "Implications for Women of Bank projects; Paper on "The Social and Human	

Aspects of Rural Road Projects"
by Heli Perrett.

- | | | |
|----------------|--|--------------------------------|
| 9. 4-19-1978 | Soc.Aspects of Population Projects: Education for Family Planning | H. Shanawany |
| 10. 5-24-1978 | Socio-cultural Issues in Transmigration in Indonesia | Gloria Davis |
| 11. 6-7-1978* | Review of Group's Activities during the Past Year and Exchange of Views about Objectives for Next | |
| 12. 6-14-1978* | Trends in the Use of Soc. Inputs of Rural Development Projects:
Work Plan for the Group's Meetings in FY 1979 | |
| 13. 7-1978 | Sociology of Agricultural Research: Implications for Nutrition and for the Production of Poor and Rich Farmers | |
| 14. 10-1978 | Workshop on Sociological Variables of Irrigation Projects | |
| 15. 22-11-1978 | Involuntary Settlement of Rural Populations in Bank Financed Projects | D. Butcher,
FAO, Bangladesh |
| 16. 12-6-1978 | Behavioral and Social Aspects of Water Supply Waste Disposal Project Work | Heli Perrett |
| 17. 12-20-1978 | Sociological Aspects of Population Components in Non-Population Bank Projects | H. Shanawany |
| 18. 1-24-1979* | Sociological Variables and Methods in Projects Monitoring and Evaluation Systems | Michael Cernea |
| 19. 6-19-1979 | World Bank Projects and Women | Gloria Scott |
| 20. 3-26-1980* | Discussion and Plans for | P. Hammond |

Future Meetings of Group after
break in meetings due to temporary
departure on sabbatical of group
leader, Michael Cernea

- | | | |
|----------------|--|---|
| 21. 5-21-1980 | Strategies for Implementing
Social Analyses in Large-
Development Agencies: The
Case of AID | Alan Hoben,
Overseas De-
velopment
Council |
| 22. 6-26-1980 | Trickle-Down Revisited:
Problems of Local Level
Stratification | C. Bledsoe,
University
of New Mexico |
| 23. 7-30-1980* | Planning Session for Next Year's
Presentations | |
| 24. 10-30-1980 | Use of Consultant
Sociologists in Bank Work | Michael Cernea |
| 25. 11-13-1980 | Tribal People and Develop-
ment Projects | R. Goodland |
| 26. 12-18-1980 | Eliciting Population Parti-
cipation in Project Design
and Implementation | M. Koch-Weser
F. Lethem |
| 27. 2-1981 | The Creation of a Water User
Association in the Philippines | |
| 28. 6-4-1981 | Social Dimensions of Educa-
tional Inequality: Lessons
from Bank's Lending Policy from
a Rural Urban Survey at the
Primary School Level in Eastern
Africa | J. Maas
G. Criel |
| 29. 6-17-1981 | Experimental Designs for the
Sociological Evaluation of
World Bank Urban Shelter Projects | M. Bamberger
A. Sant'anna |
| 30. 7-2-1981 | Translating Sociological Research
Findings into Operationally
Usable Findings | J. De Regt
M. Konan |
| 31. 7-30-1981 | Sociological Aspects of Irriga-
tion Projects | N. Coletta
M. Cernea |
| 31. 10-28-1981 | Application of Bank Social
Guidelines (OMS 2.33) on | J. De Regt |

	Resettlement: Field Experience in Yacyreta Project, Latin America "Issues in Social Guidelines" Implementation in Bank Projects	M. Cernea
32. 11-23-1981	Farmers' Adoption of New Technologies: Appraisal Estimates versus Actual Project Performance	J. Russel J. Lesuever
33. 12-11-1981	Village Organizations and Resource Mobilization for Development: Experience in the Yemen Arab Republic	Drs. Lewis, Swanson and Tutweiler, Cornell U.
34. 12-16-1981	Bank Experience and Potential for Supporting Water Users Associations in Irrigation Projects	M. Cernea S. Paris
35. 1-13-1982	Impact of Sociological Research Findings on Bank Operational Work in the Education Sector	S. Heyneman
36. 1-27-1982	Indian Protection Issues in Rural Development Projects in Northwest Brazil	M.Koch-Weser
37. 2-10-1982	Support Networks and Survival Strategies of the Urban Poor	M. Bamberger
38. 3-31-1982	Rural Mobility and Communications in Mexico: findings of a Bank Sociological Study	C. Cook
39. 3-1982	Discussion of A.I.D. Guidelines on Social Soundness Assessment	
40. 4-4-1982	Institutional Factors in Feeder Road Projects	C. Cook
41. 5-5-1982	Assistance to Amerindians in Brazil	M.Koch-Weser
42. 5-1982	Typology of Sociocultural Problems in Bank Project Design	L. Brownrigg. Consultant
43. 6-28-1982	Tribal Host Populations and Afghan Refugees in Pakistan: Alternatives for Development Assistance	D. Maybury- Lewis; E. Ahmed Harvard University

- | | | |
|----------------|---|--|
| 44. 10-12-1982 | The Pygmies of Congo and the Impact of Bank Projects | A. Hoben,
Boston
University |
| 45. 10-1982 | Workshop on "Rapid Social Appraisal Methods" | A. Hoben,
Boston
University |
| 46. 1-25-1983 | Can we train Bank staff in Sociology? Discussion of the Proposal for a "Sociology for Non-Sociologists", a 3-day Course | |
| 47. 2-16-1983 | Bengkoka Afforestation/Resettlement Project: Stabilizing Shifting Cultivators | G. Davis |
| 48. 5-1983 | Participant Observation in Project Supervision and Monitoring (Necessity of Local Leadership) | L. Salmen,
Consultant |
| 49. 6-23-1983 | Sociological Workshop on Socio-cultural Variables Affecting Agricultural Projects | C.P. Kottak
University
of Michigan |
| 50. 10-13-1983 | The State of Soviet Agriculture Success or Failure? | K.E. Wadekin
U. of Giessen,
West Germany |
| 51. 12-8-1983 | Sociological Aspects of Agricultural Extension Services in Africa | J. Moris,
Utah State
University |
| 52. 2-28-1984* | Sociological Appraisal of Projects: The New OMS 2.20 and How to Support its Implementation | |
| 53. 6-26-1984* | Social Aspects in Development Projects: The Baum/Tolbert Volume | |
| 54. 8-29-1984* | Job Regrading and Its Implications for Social Scientists/Non-economists | |
| 55. 10-4-1984 | Workshop on "African Farmers' Behavior in Tree Planting: Sociological and Economic Variables in Reforestation" | D. French |
| 56. 11-6-1984 | Can Rural Cooperatives be Successful? The Experience of the Maharashtra Sugar Cooepratives | |

57. 11-14-1984* Memo topic: OPS Trends and Patterns-
Form Sheet - Sociological Items;
Memo topic: The Use of Social
Scientists in the Bank
58. 12-18-1984 An Anthropological Perspective on
Development Making in Ariqueemes,
Rondonia J.W.Wilson
U. of
Florida
59. 6-13-1985 Land Settlement Workshop T.Scudder
California
Institute of
Technology
60. 7-1-1985 Social and Economic Effects of the
Brazilian Pro-Alcohol Program D.Gross
National
Science
Foundation
61. 5-14-1986 Transmigration Cite Selection
in Indonesia G. Davis
J.F.Baudelaire
62. 8-6-1986 Sociological Observations on
Training Processes - The EDI
Experience S.Heyneman
M.Bamberger
63. 8-20-1986 The Bank's Response to Envi-
ronmental Issues - Environmental
and Social Issues in Bank Work T. Ruth
R.Batstone
64. 9-3-1986 Brazil, An Innovation: The
Community Development Fund D. Mithcnik
65. 10-1-1986 Involuntary Resettlement: Social
Indicators
66. 10-14-1986 Farmer Organizations for
Sustainable Irrigation
Development N. Uphoff
Cornell
University
67. 10-22-1986 Poverty in Latin America:
The Impact of Depression G.Pfeffermann
68. 11-11-1986 Brazil-Corajas: Sociological and
Environmental aspects L. Davies
de Freitas,
S. Bunker
69. 11-1986 Training Course organized by the Sociology
Office in AGR to disseminate new policy on
"Treatment of Resettlement in Bank-financed

Projects

- | | | |
|----------------|--|--|
| 70. 2-25-1987 | Bank's Reorganization and Its Sociological/Anthropological Resources: Meeting with Mr. J. Burki, Director IRD and Mr. Hans-Eberhard Kopp, Director PPD | |
| 71. 3-1987 | Social Skills in Bank's Reorganization | |
| 72. 4-15-1987 | The Bank Culture and Its Reorganization;
The Implementation of Women in Development Issues in the Bank | D. O'Hare
N. Kardam
Michigan
State U. |
| 73. 10-27-1987 | Conservation in the Amazon: Tropical Forests and Primate Conservation in Brazil; Conservation and Ethnobotany in the Amazon | R.A. Mittermeier
World Wildlife
Fund;
M.J. Plotkin |
| 74. 12-2-1987 | First meeting of the Informal Working Group on Human Resettlement organized by S. Davis | S. Davis |
| 75. 1-20-1988 | Sri Lanka - Socio-political Dimensions of the Mahaweli Development Program | T. Scudder
California
Institute
of Technology |
| 76. 2-25-1988 | Meeting of the Informal Working Group on Human Resettlement | |
| 77. 2-25-1988 | Common Property Resource Management
Bank discussants:
K. Marshall
J.H. Cleave | E. Ostrom,
Indiana U.;
P. Peters
Harvard U.;
D. Bromley,
U.Wisconsin |
| 78. 4-14-1988 | Lands at Risk in the Third World
Bank discussants
K. Cleaver
M. Cohen | P. Little,
Institute of
Development
Anthropology;
D. Messerschmidt
Washington
State U. |
| 79. 5-18-1988 | Irrigation Management with Farmer Participation | N. Uphoff
Cornell U. |

Bank discussants
D.M. Dowsett-Coirolo
R. Reidenger

80. 9-15-1988* A Critique of the Bank's
Tribal Guidelines

Jason Clay,
Cultural
Survival

=====

Notes:

1. The star* next to the date of a particular meeting means that it was for Sociological Group members only.
2. When there is no institutional affiliation with a speaker, it means that the speaker is a Bank staff member.
3. Some entries have no date of the particular day that meeting was held, but only the month and year. This means that I have been unable to find that information