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# THE WORLD BANK AND PARTICIPATION



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THE WORLD BANK

OPERATIONS POLICY DEPARTMENT

SEPTEMBER 1994

# THE WORLD BANK AND PARTICIPATION

## GLOSSARY OF ACRONYMS

BIAS	Business Innovation and Simplification (program of the Operations Policy Department)
CAS	Country Assistance Strategy
CD	Country Department
CEM	Country Economic Memorandum
CIDA	Canadian International Development Agency
COD	Country Operations Department
CVPU	Central Vice-Presidential Unit
DAC	Development Assistance Committee
DEC	Development Economics and Chief Economist Vice Presidency
EBRD	European Bank for Reconstruction and Development
EDI	Economic Development Institute
ENV	Environment Department
ESW	Economic and Sector Work
GRIF	Getting Results in the Field (program of the Africa Region of the Bank)
GTZ	German Agency for Technical Cooperation
HRO	Human Resources Development and Operations Policy Vice Presidency
IDF	Institutional Development Fund
IEPS	Initial Executive Project Summary
IM	Initiating Memorandum
NGOs	Non-Governmental Organizations
OED	Operations Evaluation Department
OD	Operational Directives
ODA	Overseas Development Administration (United Kingdom)
OMS	Operational Manual Statement
PDLG	Participatory Development Learning Group
PMD	Personnel Management Department
PMP	Performance Management Plan
PPA	Participatory Poverty Assessment
SAARC	South Asian Association for Regional Cooperation
SIDA	Swedish International Development Authority
SOD	Sector Operations Department
TD	Technical Department
UNDP	United Nations Development Program
USAID	United States Agency for International Development

## FOREWORD

Within recent years, change has brought more information and openness to the world. Change has also brought more participation to development. Governments, donor agencies, international organizations and nongovernmental organizations should welcome this change. In so doing, we can redouble efforts to support the aspirations and involvement of people in development processes.

The World Bank's interest in participatory development is not new. Our operational experience suggests that projects can be more efficient and sustainable when they involve those they are intended to help. Participation can also be complex and time-consuming. Important judgments and trade-offs are necessary in the process of engaging with affected groups and potential beneficiaries, especially in large-scale projects. But, I believe that increased participation will increase the effectiveness of development.

This report is based on the work of a Bank-wide Learning Group on Participatory Development, with support from the Swedish International Development Authority and GTZ of Germany. The report drew extensively on ongoing work and suggestions from within the World Bank. In addition, interested persons in the international development community, project implementing agencies, academia, and other governmental and nongovernmental organizations have contributed to the preparation of the report. Some external participants in this process prepared an "addendum" which is attached to the report and which contains their supplementary views and observations.

This report is a welcome complement to our recently published report: Learning from the Past, Embracing the Future in that it expands on the importance of participation for promoting client orientation and partnership and for achieving better results "on the ground." The report translates these principles into concrete actions which are being implemented.



Lewis T. Preston  
President  
The World Bank

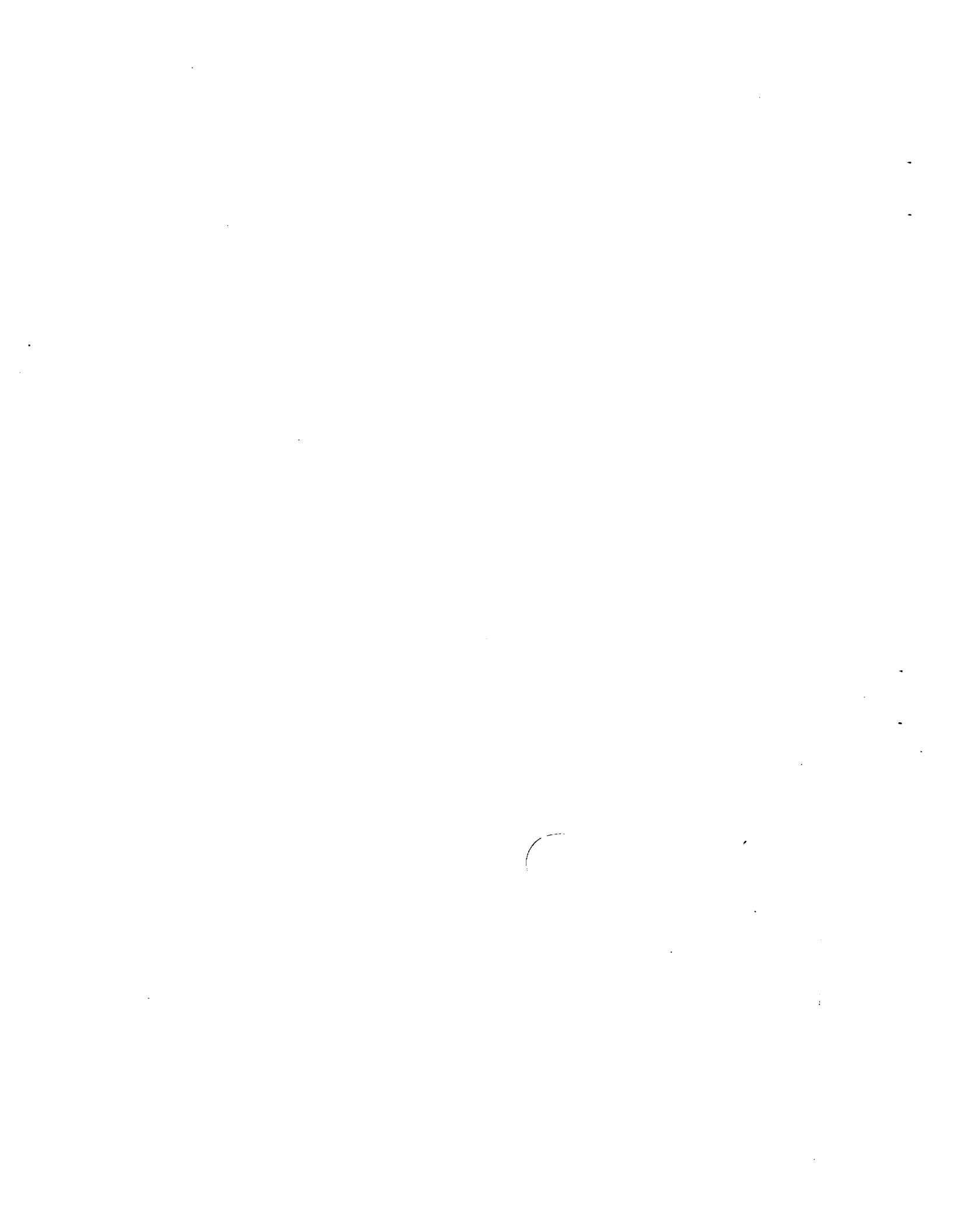
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### MAIN FINDINGS

Participatory development is a process through which stakeholders influence and share control over development initiatives, and the decisions and resources which affect them.

There is significant evidence that participation can, in many circumstances improve the quality, effectiveness and sustainability of projects, and strengthen ownership and commitment of government and stakeholders. Community participation strategies are found to be particularly important in reaching the poor.

The Bank has always interacted with governments and a limited number of stakeholders. However, it has not systematically sought the broad-based participation required by its objective of helping its borrowers achieve sustained poverty reduction. The Bank needs to broaden its business practices to encourage the participation of a much wider range of stakeholders, in order to improve and sustain its development efforts.

### ACTION PLAN

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





## I. INTRODUCTION

1. A Bank-wide Learning Group on Participatory Development was launched in December 1990. The group was charged with examining the issue of participation and identifying challenges to the Bank in stepping up its efforts to support participation in its operations. Participation is defined by the group as a process through which stakeholders influence and share control over development initiatives, decisions and resources which affect them. The report discusses the results of this learning by reviewing the Bank's experience in participation and setting out a long-term organizational strategy for the Bank, together with an action plan for immediate changes that will make the Bank's work in this area more effective. The proposed strategy is long-term because significant shifts will be necessary in the Bank's institutional culture and procedures if it is systematically to adopt participation as a regular feature of its work with borrowing countries. As efforts to support participation are already underway within the Bank, the action plan presented in this report aims at mainstreaming and building on participatory initiatives which have proved effective.

2. The learning group's work has been influenced by many initiatives inside and outside the Bank. Bank efforts of particular relevance include the Portfolio Management Task Force; the Bank-wide Quality Network; the NGO/Participation Group in the Operations Policy Department; the Social Policy Group; the activities of governance, decentralization and participation networks across the Regions; and the work of the social policy division in the Environment Department. The learning group has also benefitted from the experience and learning of other development agencies, including the DAC, UNDP, SAARC, CIDA, SIDA, ODA, GTZ, USAID and NGOs. The group organized an international workshop on participation in 1992, and a second in May 1994.<sup>1</sup> Throughout, the Swedish International Development Authority (SIDA) has given intellectual and financial support to the initiative, more recently complemented by assistance from GTZ of Germany. A number of Bank operational staff and managers have also contributed to the analysis of the Bank's experience in participatory development. In addition to this report, the learning process has entailed the production of case studies of participatory Bank-financed projects; the on-going production of a practical sourcebook on participation; and a number of participation-related training efforts for Bank staff.

3. The learning group's recommendations were extensively reviewed within the Bank, and adopted and supported by the Bank's management following a Policy Review Committee meeting in August 1994. The action plan, presented in paragraphs 72 and 73, summarizes what the Bank is currently doing to strengthen the participatory content of Bank work and what more the Bank's management intends to do in the future.

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<sup>1</sup> See Annex I for names of the learning group members, and non-Bank workshop participants in 1992 and 1994. Annex II outlines the questions which guided the learning process. Annex III lists key Bank documents on participation, including studies commissioned as part of the learning process.

## II. THE CONTEXT

4. In the context of its work, the Bank interacts primarily with governments. The Bank's close relationship with governments reflects the fact that governments are (i) shareholders and governors of the Bank; (ii) principal clients for the Bank's services; (iii) responsible for implementing Bank-supported activities and repaying loans; and (iv) ultimate decision-makers for the policies and projects for which Bank assistance is sought. As outlined in "Next Steps," the Bank needs to work with governments to enhance their ownership of development projects --including through involving relevant stakeholders in policy development and implementation. The Bank, therefore, needs to be much more aware of the broad range of stakeholders<sup>2</sup> who affect or are affected by the policies, programs and projects which it supports (see Box 1 below).

### BOX 1. STAKEHOLDERS IN BANK-SUPPORTED ACTIVITIES

Governments, representing borrower member countries, are the Bank's most significant partners in that they are shareholders, clients, and responsible for devising and implementing public policies and programs. They have a clear and often dominant "stake" in a wide range of Bank activities. Given its fiduciary responsibilities, the Bank also sees itself as a participant or a stakeholder with its own objectives, policies and institutional responsibilities.

More broadly, in their work on promoting development, government officials and Bank staff engage in various forms and degrees of stakeholder analysis. Often such analysis involves identifying stakeholders whose commitment and support are necessary for the successful design and implementation of policies, programs and projects. The challenge in working on policy analysis and potential Bank-financed investment is typically two-fold: (i) how to increase government ownership in these efforts; and (ii) how to encourage and support governments in their efforts to involve beneficiaries (and other groups as appropriate) in the design and implementation of policies and programs.

Relevant stakeholders are determined by the situation and type of activity to be supported. Not all parties with an interest can be automatically assumed to be relevant, and there is a continuum of stakeholders in society ranging from the ultimate beneficiary to individuals or institutions with indirect interests. Also, increased stakeholder participation may not always lead to better outcomes. Nevertheless, stakeholder analysis is something governments already do and, where possible, should be supported in doing better.

Key stakeholders are clearly those intended to be directly affected by a proposed intervention, i.e. those who may be expected to benefit or lose from Bank-supported operations; or who warrant redress from any negative effects of such operations, particularly among the poor and marginalized. Those indirectly involved or affected can include persons or institutions (i) with technical expertise and public interest in Bank-supported policies and programs; and (ii) with linkages to the poor and marginalized. Such stakeholders may include NGOs, various intermediary or representative organizations, private sector businesses and technical and professional bodies.

<sup>2</sup> For a discussion of "stakeholders," see Ian Mitroff, *Stakeholders of the Organizational Mind*, p. 4, Jossey-Bass, California, 1983. See also Alan Fowler, "The World Bank and its Stakeholders: Who are They and Why?", OPRPG, World Bank, Washington, D.C., 1994.

5. Given the Bank's objective of helping countries to reduce poverty, key stakeholders in the context of Bank work are the poor, who often lack information and power and tend to be excluded from the development process. Other stakeholders include those expected to benefit from or be adversely affected by projects. Stakeholders also include institutions and individuals with an interest in a policy or project, including NGOs, intermediary organizations, public interest groups, private sector businesses, and technical and professional bodies. Although often not representative of the poor, some institutional and public interest stakeholders act in the interest of disadvantaged groups. Who the stakeholders are will vary from project to project. Finding out who they are and how to involve them in improving project impact usually requires a willingness to consider directly the issue of stakeholder involvement in analytical work and project preparation.

6. The relevant stakeholders will be determined by the situation and the type of activity to be supported. For Economic and Sector Work (ESW) the winners and losers from policy change must be identified. Thus, the potential stakeholders are likely to include those: (i) mandated to formulate or implement a policy; (ii) with the capacity and motivation to influence relevant decision-makers; (iii) with an interest in policy effects and (iv) with expertise, experience or knowledge of the particular area. Often, policies may have a negative impact on a particular group, such as black marketeers or rent-seeking officials. Effective policy design requires that they, and their probable responses, be recognized. Frequently, the perspectives of poor people and marginalized groups are omitted from policy development and special efforts, through, for example, participatory poverty assessments and other social assessments, may need to be made to include their viewpoint. For project investment work, stakeholders are more easily identified because of: (i) their responsibility for planning and implementation; (ii) their position -for or against-- project objectives; (iii) the skills, knowledge, resources or relationships which they can bring to bear; and (iv) their contribution to future sustainability. Again, special efforts will need to be made to ensure that relevant stakeholders least able to actively contribute to the project process are enabled to do so because vital information for project success is often privately held by these groups and is not available in the public domain.

7. A number of developments underlie the growing focus on stakeholder participation. Internationally, emphasis is being placed on the challenge of sustainable development and participation is increasingly recognized as a necessary part of sustainable development strategies. Furthermore, advances in communication technology and parallel improvements in the operation of markets allow more and more people to learn about opportunities available to them and to express their preferences. This enhanced information flow both reduces the risks of market failure and helps people to influence public policy in pursuit of the changes they want.

8. Alongside this strengthened potential for public choice and participation, many countries face important choices in realizing sustainable development goals. Most governments have too limited a fiscal and management capacity to do everything. At the same time a growing number of individuals, as citizens, consumers and organized interest groups, demand to be involved in the development process. Faced with these limitations and pressures, governments are starting to share development responsibility with various stakeholders, including the private sector, and NGOs. Development experience has shown the value of learning from the knowledge and perspectives of these and other groups in society - especially the poor. Indeed, experience suggests the benefits of development efforts are more likely to be sustained when the ultimate clients are involved in designing and implementing the work involved. As participation increases, vital information not in the public domain becomes available and the voices of interested parties can help make governments more accountable; both in turn enhance performance.

9. The Bank's fiduciary interest in participation stems from the need to ensure that Bank-supported policies and projects perform well on the basis of strengthened commitment and broad-based ownership. However, the Bank should not, indeed cannot, be perceived as trying to circumvent governments, or attempt to intermediate between governments and the governed.

### III. PARTICIPATION IN PRACTICE

10. Official international development assistance efforts have traditionally assigned governments the principal responsibility for improving the level of well-being of target populations. Now with growing awareness of the value of involving other actors in both policy design and project work, many international development agencies are searching for ways to engage a wider range of stakeholders in development. Participatory approaches are seen to be one answer because by their nature they make development processes more inclusive of a wider range of interested parties. Examination of participatory practices of (largely non-governmental) agencies with substantial experience in this field shows that meaningful and broad-based participation is not easily achievable, and is not without costs or risks. However, the evidence collected shows that, more often than not, the benefits of participation outweigh the costs (particularly when the costs of not using participatory approaches are included), though this is not always easy to quantify.<sup>3</sup>

11. The learning group set out to identify the actual costs and benefits of using participatory approaches in the Bank's work to reduce poverty in a sustainable manner. Comparative studies indicate that the potential benefits of increased stakeholder participation include:<sup>4</sup>

- a check on the relevance, especially to the poor, and on the appropriateness of the processes and products of development efforts;
- increased commitment and stakeholder ownership of policies and projects, a willingness to share costs and an interest in sustaining the benefits;
- greater efficiency, understanding, and better planning, based on the concerns and ideas of a wide range of stakeholders;
- a better match between human capabilities and physical capital investments;
- greater transparency and accountability and improved institutional performance;
- enhanced information flows which allow markets to function more efficiently;
- increased equity by involving the poor and disadvantaged in development efforts;
- strengthened capacity of stakeholders, as a consequence of their involvement in the process of development efforts.

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<sup>3</sup> See section V of this report.

<sup>4</sup> See Peter Oakley and David Marsden, *Approaches to Participation in Rural Development*, International Labor Office, Geneva, 1982; Kurt Finsterbusch and Warren van Wicklin, "The Contribution of Beneficiary Participation to Development Project Effectiveness", *Public Administration and Development*, Wiley, London, vol. 7, pp. 1-23, 1987; Samuel Paul, "Community Participation in Development Projects", *Discussion Paper*, No. 6, World Bank, 1987; Michael Bamberger, "The Role of Community Participation in Development Planning and Project management", *Policy Development Report Series*, No. 13, Economic Development Institute, The World Bank, 1988; William Nagle and Sanjoy Ghose, "Beneficiary Participation In Some World Bank Supported Projects", *Discussion Paper*, No. 8, Strategic Planning and Review Department, The World Bank, June, 1989; Ulrike Müller-Glodde, *Where There is no Participation...*, GTZ, Eschborn, 1991; Peter Oakley, *Projects With People: The practice of participation in rural development*, International Labor Office, Geneva, 1991; Bhuvan Bhatnagar and Aubrey C. Williams, (eds.), "Participatory Development and the World Bank: Potential Directions for Change", *Discussion Paper*, No. 183, The World Bank, 1992; Jorge Uquillas and Juan-Carlos Rivera, "Pueblos Indigenas y Desarrollo en America Latina", *Latin American Dissemination Notes*, No. 8, World Bank, December, 1993; World Bank, *Annual Review of Evaluation Results 1992*, Operations Evaluation Department, October, 1993; Deepa Narayan, "The Contribution of People's Participation: 121 Rural Water Supply Projects", World Bank, Washington, D.C., April 1994.

12. There is also evidence that not adopting participatory development approaches has many costs. These costs include: a lack of ownership and support which can impede the uptake of services, reduce the sustainability of the intended benefits, and limit the cost-recovery of projects; a sense of indifference and dependency on the state by citizens who see they have little or no say in development; and the harboring of resentment and wilful obstruction when projects or policies are imposed. In general, non-participatory approaches, which often rely primarily on interventions by outside experts, limit the learning of new possibilities on the part of in-country stakeholders.

13. Stakeholder participation does, however, entail a number of costs and risks to both the Bank and stakeholders which will partly determine the optimal level of participation achievable.<sup>5</sup> These include:

- the upfront financial, time and opportunity costs to the Bank and stakeholders of identifying and engaging with each other;
- the difficulty in ensuring stakeholder groups are representative and are expressing the real priorities of the people they are meant to represent;
- the risk of generating or aggravating conflicts between stakeholders with different priorities and interests;
- risks of raising expectations which may prove impossible to fulfill;
- co-optation of the participation process by powerful and more articulate elites to the exclusion of the poor and disadvantaged.

14. In addition, broadening stakeholder involvement may be subject to cultural or political limitations. Women, hereditary castes and minorities are often overlooked or given token recognition. Assertive disadvantaged groups may be perceived as threats. And genuine stakeholder involvement means that government is often asked to explain the reasons for its decisions to those who have been engaged in consultative processes; many governments will resist being held accountable in this way. Indeed in some countries, local knowledge and participatory approaches may be viewed with suspicion. In this setting, the Bank's concern for participation may be seen initially by some borrowers as a threat, leading to difficult negotiations and defeating the purpose of promoting increased participation.

15. The burden of responsibility for participatory processes falls squarely on governments, since they are responsible for implementing Bank-financed projects. Governments need to be as interested as the Bank (and ideally more so) in participatory approaches if their efforts are to be sustainable. Government ownership of development policies and programs both facilitates and benefits from stakeholder participation. Participation is achieved by organizing suitable methods and procedures which draw local people, their associations and their government into systematic and reciprocal interaction. To make these interactions possible, there must be an intermediation capacity which is often in short supply in developing countries. In addition, there must be some capability and willingness to identify stakeholders and suitable participation strategies; and to define and agree on the "rules of the game" for the interaction between the Bank, governments and other actors.

16. Deciding which stakeholders to involve is a difficult task which will ultimately depend on the knowledge and contacts available to the task manager; the nature of the relationships between government

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<sup>5</sup> Philip Gerson, "Popular Participation in Economic Theory and Practice", HRO Working Papers, No. 18, World Bank, Washington, D.C., December, 1993.

and different stakeholder groups; and the amount of time and resources available (to both governments and the task manager) for identifying representative groups and individuals with concerns and a willingness to contribute to the process. To give an example, deciding which groups to involve would require asking such questions as: (i) would the planned activity benefit from, or require, input from public interest groups?; (ii) which of these groups are organized and active in the area/country in question?; (iii) do some of these groups seem to better represent the primary stakeholders (e.g., the poor) most likely to benefit or be affected by the activity?; (iv) would these groups be willing to cooperate in this activity? and (v) would the government choose to involve these groups? Finding answers to these types of questions will require close consultation with in-country expertise, including government officials, the Resident Mission team, other donors, and local consortia of the stakeholder groups concerned. The willingness and capacities of governments to engage with a wide range of stakeholders vary from country to country and will inevitably determine the appropriate support the Bank can provide.

17. Because persons with a stake in development issues and options are likely to be involved in organized interest and pressure group activities, it is important to sound out the views of "active" as well as "passive" stakeholders. In other words, it is also necessary to elicit the views of the unorganized poor, women and indigenous people who often may be a silent majority. Beneficiary assessments, focus group interviews, and various quantitative and qualitative survey instruments should be used in order to balance the views of organized interest groups with those of the unorganized. There are now some standard ways in which Task Managers can increase their knowledge of the indigenous peoples who exist within the countries where they work, and in the process provide opportunities for active participation and involvement.<sup>6</sup>

18. The Bank can support participatory development in three ways:

- By showing borrowers the value of adopting policies and procedures which are conducive to a more systematic involvement of their populations in development efforts. Such awareness raising can be achieved through policy dialogue; country and sector studies; and sharing practical, positive examples from inside and outside the country;
- By supporting projects and programs and institutional reforms which assist borrowers to better interact with a broader range of stakeholders, especially the poor. Since the poor, women and indigenous people are commonly the most difficult part of the population to reach, a special effort will be required to help borrowers design and implement participatory approaches which effectively involve these stakeholders;
- By seeking opportunities for strengthening its partnership with a broader range of stakeholders (primarily but not exclusively borrowers) as well as other donors; for example, a greater sharing of responsibility in analytical work.

19. The Bank itself has limited capacity and experience in participatory development. In some cases, the Bank's own institutional characteristics and procedures limit the level of participation achieved in

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<sup>6</sup>See Shelton H. Davis and Lars T. Soefstestad, "Participation and Indigenous Peoples" Participation Sourcebook Technical Paper (draft), World Bank, Washington, D.C., September 1994.

Bank-supported activities and in some countries the Bank's ability to encourage borrowing governments to adopt participatory approaches is weak. The Bank also has limited experience in building the capacity of borrowing governments to better support participatory development. And trading off the benefits and costs of participatory development is never a simple, tidy exercise as both tangible and intangible factors are involved and upfront costs are more readily recognized than downstream benefits.



#### IV. WORLD BANK EXPERIENCE IN PARTICIPATORY DEVELOPMENT

##### General Review

20. There is a growing experience and literature within the Bank on participation, including general reviews of the subject and documentation of experience, in the form of regional studies or case studies of particular initiatives. Key documents, including those produced as part of the participatory development learning process, are listed in Annex III. The issue of participation has also been increasingly addressed in other Bank documents, including reports by OED (for example the *Annual Review of Evaluation Results 1992, 1993*), sector reviews (for example the *Agricultural Sector Review, 1993*) and, most recently, the *World Development Report 1994* on infrastructure. In addition, a number of the instructions outlining Bank policy (such as for environmental assessment methodology), make reference to participation-related issues (see Annex IV).

21. A number of learning initiatives on participation have been established in various sections of the Bank. Their aim is to expand the capacity of operational staff to adopt participatory approaches in the operations for which they are responsible. In the Africa Region, several initiatives have been launched by staff to emphasize participation in ESW and lending operations across all Country Departments.<sup>7</sup> A Participation Learning Group has been established within the Region's Thematic Team on Governance, and has been analyzing and sharing field experience with participatory initiatives. In addition, one Country Department<sup>8</sup> has adopted a policy that each new project under preparation must include a provision for systematically listening to stakeholders; a manual on systematic consultation techniques has been produced to assist task managers in implementing this policy. Another initiative involved participation specialists selecting a number of projects in the Africa Region where field level participatory techniques can be applied and tracked for further learning.<sup>9</sup> In the South Asia Region two Departments have set up informal learning groups on participation,<sup>10</sup> bringing together interested staff to work on capacity-building within their departments. In East Asia, a new unit in the Resident Mission in Indonesia will work on social analysis, NGO relations, environmental issues, and participation.

22. Other parts of the Bank where participation is a major focus of work are the **Operations Policy Department** which has coordinated the participatory development learning group, and managed the Participation Fund (established in 1993) and its successor Fund for Innovative Approaches in Human and Social Development; the **Environment Department** which is responsible for the forthcoming sourcebook on participation as well as on-going work on social assessment; and the **Financial and Private Sector Department** which has a general objective of promoting private sector development, including strengthening the development contribution of private interests. By requiring and supporting environmental assessments under certain conditions in borrowing countries, the Bank has begun to make

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<sup>7</sup> See World Bank, *Getting Results in the Field (GRIF) Programs*, Nos. 26, 27 and 28, Africa Region Vice Presidency (AFRVP), 1993.

<sup>8</sup> AF6, covering Southern Africa.

<sup>9</sup> Sponsored by AF3AE, the South-Central and Indian Ocean Division of the Africa Department dealing with agriculture and environment.

<sup>10</sup> SA2 and SA3, covering India, and Afghanistan, Maldives, Pakistan and Sri Lanka.

a significant contribution to supporting and learning from participatory approaches in the interest of protecting the environment.

### Participation in Bank-Supported Activities

23. The types of participatory mechanisms which have been used in Bank-supported activities are listed in Box 2. Different mechanisms are used to engage selectively with different parties and for different activities. In general, the mechanisms of **information sharing and consultation**, which are typically seen as minimal conditions for meaningful participation, are standard features of lending work and are increasingly becoming a feature of ESW. A number of **joint assessment, negotiating and collaborative** mechanisms have been applied in more innovative lending operations (to different degrees in different sectors) and ESW, though very rarely in structural adjustment programs. **Empowering** mechanisms have only occasionally been used in lending operations, and have not been part of any ESW.

24. There is not a Bank-wide system for monitoring projects or other activities for their participation content and so no account can be given as to the proportion of Bank-supported activities which may be classified as participatory. In-country processes in any case are difficult to monitor, and impact of participation can often be determined only after a number of years. Nevertheless, HRO is taking steps to monitor CASs and project summaries to build up a database akin to that used for poverty monitoring. Meanwhile, available studies indicate that broad-based participation (as defined in para. 4) is the exception rather than the rule. A 1992 inventory of the Africa Region's lending portfolio revealed that the proportion of projects involving direct stakeholder participation (ranging from information sharing to consultation and active decision making) increased from 1% in 1985 to 13% in 1991.<sup>11</sup> A review of project documents for lending operations over the last two years in the Asia Region indicates that some 26% of projects included some form of participation (including consultation of local populations, implementation by NGOs, and the use of specific participatory methods).<sup>12</sup> While ESW often involves the Bank working with governments, academics and other development agencies, this work does not usually involve a broad range of stakeholders although notable exceptions -- such as the Africa Long-Term Perspectives Study -- exist.<sup>13</sup> Broad-based participation in ESW is often limited by insufficient time being set aside for engaging with academic establishments and other actors; unclear guidelines and little incentive for task managers to make ESW more participatory; and in some cases an unwillingness on the part of borrowing governments to dialogue with other stakeholders.

25. Similarly, the percentage of Bank staff undertaking participatory work is limited. We estimate that about 20% of task managers in the Bank are responsible for about 70% of the participatory initiatives in Bank-supported activities. This is partly due to a number of disincentives which discourage staff from undertaking participatory work: the lack of clear guidance on participatory techniques, the lack of

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<sup>11</sup> Misgana Amelga, "Inventory of Bank Projects with Significant Participatory Activities in the Africa Region", World Bank, Washington, 1992.

<sup>12</sup> For further details see forthcoming overview report by Maniza Naqvi, Asia Social Development Team, World Bank, Washington, D.C.

<sup>13</sup> Dan Aronson, "Participation in Country Economic and Sector Work", Participation Sourcebook Technical Paper, working draft, World Bank, Washington, D.C., April 1994. A review of ESW planned for FY94 in Sub-Saharan Africa showed that 16% of the studies were designed to involve other stakeholders, in addition to those traditionally consulted.

resources to support participation, and the low priority accorded to participatory efforts in review processes and staff performance criteria; as well as difficulties inherent in applying current procurement and disbursement procedures to participatory projects. However, while only a minority of task managers have been prepared in the past to take the risks and added efforts required to get clearance for and apply participatory approaches in Bank-supported activities, there is a growing undercurrent of interest in the use of these approaches.<sup>14</sup> Efforts are also ongoing to address some of the institutional constraints. HRO, for example, is currently finalizing revision of the Bank's procurement guidelines which will encourage staff to adopt procedures, when appropriate, in support of community participation.

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<sup>14</sup>As reflected, for example, in the number of initial staff requests to the Participation Fund and the Fund for Innovative Approaches in Human and Social Development.

## **BOX 2. PARTICIPATORY MECHANISMS USED IN BANK-COUNTRY WORK**

The following mechanisms are listed in order from those in which stakeholders have least influence to those in which they have most influence.

### **1. Information-sharing mechanisms**

- \* translation into local languages and dissemination of written material using various media
- \* informational seminars, presentations, and public meetings

### **2. Consultative mechanisms**

- \* consultative meetings
- \* field visits and interviews (at various stages of the work)

### **3. Joint assessment mechanisms**

- \* participatory assessments and evaluations
- \* beneficiary assessment

### **4. Shared decision-making mechanisms**

- \* participatory planning techniques
- \* workshops and retreats to discuss and determine positions, priorities, roles
- \* meetings to help resolve conflicts, seek agreements, engender ownership
- \* (public) reviews of draft documents and subsequent revisions

### **5. Collaborative mechanisms**

- \* formation of joint committees with stakeholder representatives
- \* formation of joint working groups, task forces
- \* joint work with user groups, intermediary organizations, and other stakeholder groups
- \* stakeholder groups given principal responsibility for implementation

### **6. Empowering mechanisms**

- \* capacity-building of stakeholder organizations
- \* strengthening the financial and legal status of stakeholder organizations
- \* handover and self-management by stakeholders
- \* support for new, spontaneous initiatives by stakeholders

The first three mechanisms promote learning and will enable potential stakeholders to participate actively. The last three mechanisms provide opportunities to influence and share control over development initiatives, decisions and resources. New patterns of Bank lending, including more emphasis on demand-driven approaches, involve wider applications of shared-decision-making, collaborative and empowering mechanisms.

26. In the 1960s and 1970s, the Bank's experience with and support for beneficiary involvement and community participation was associated with agriculture and rural development operations. As mentioned before, recent Bank work on environmental assessments and lending has made new forays into supporting participatory approaches. Currently, the participatory record of the Bank varies between Regions, and between types of Bank work. In general, the Africa Region has shown most widespread commitment to the use of participatory approaches, involving a wide range of stakeholders in both its lending and non-lending operations. The Asia Region has had most notable success in achieving direct (beneficiary) stakeholder participation in rural water supply and sanitation, and irrigation projects. In Latin America, the more politicized nature of participation has limited the extent to which the Bank has been able to become involved in participatory development, though some significant advances are being made, especially at the municipal level. Though participation is not so widespread in the Europe and Central Asia and Middle East and North Africa Regions' portfolios, several innovative approaches are now being tested for involving various stakeholders in lending and non-lending work. A differentiated approach is required on a country by country basis. Some countries may be ready for a variety of participatory approaches across a range of policy and project work; in others, participatory approaches may be limited to project level experimentation.

27. In general, participation is easier to achieve where the delivery of project benefits brings people together in a way such that they can, or must, develop common interests. When benefits are available to individuals as individuals, rather than as members of communities or organizations, collective participation is less likely. Thus, participation is more common when project benefits relate to a communal resource, such as a community forest or a communal water supply, than when benefits are less concrete and individually accrued, such as in health programs.<sup>15</sup> Yet this distinction is seldom clear-cut and is not meant to imply that participation should be sought only in certain sectors. For instance, health programs which address public concerns (such as prevention programs for malaria or AIDS) also benefit from participatory approaches. Even in sectors such as transport infrastructure and petroleum development participatory approaches have been critical for project success.<sup>16</sup> As shown in the 1994 World Development Report, decentralization and participation can have wide application in seeking solutions toward improving public infrastructure.<sup>17</sup> Ongoing Bank work on public sector management is also exploring participation as a potential tool for strengthening public sector responsiveness and accountability, particularly with respect to extension and the provision of services.

28. The ability of public sector agencies to provide certain goods and services in a client-oriented manner is sometimes problematic. In cases where the service being delivered (such as drinking water or agricultural extension) needs to be adapted to locations and communities with widely-differing

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<sup>15</sup> ODA, "Technical Note: Stakeholder Participation in Aid Activities", first draft, British Overseas Development Administration, London, February, 1994.

<sup>16</sup> See chapter on "Beyond Markets in Infrastructure" in the *World Development Report 1994* on infrastructure; and Miguel Schloss, "Reconciling Interests and Resources for Petroleum Development", World Bank, Washington, D.C., February 1994.

<sup>17</sup> Community and user provision is most common for local, small-scale infrastructure—such as rural feeder roads, community water supply and sanitation, distribution canals for irrigation, and maintenance of local drainage systems—and it often complements central or provincial services. Successful community provision requires user involvement in decision-making, especially to set priorities for expenditures and to ensure an equitable and agreed sharing of the benefits and costs of service provision. See *World Development Report 1994*, p. 9.

characteristics, government agencies may not be able to "customize" services in an efficient manner. In these situations adoption of participatory approaches may improve the performance of these public sector bodies, or there may exist privatized firms which are more adept at eliciting and meeting consumer demand, and which therefore may be the more appropriate suppliers. Greater attention is also being given in the Bank toward increasing the role of various stakeholders in private sector development (for example, in Guyana and Ethiopia, with support from the Bank's Participation Fund).

### Cases of Innovative Bank-Supported Activities with Increased Stakeholder Participation

29. Boxes 3, 4 and 5 contain brief summaries of innovative efforts in Bank-supported activities whose impact has been facilitated by increased participation. Box 3 gives examples of increased participation by borrowing governments. Borrowing governments are formally responsible for the identification, design and implementation of all Bank-supported activities. However, given limited capacities in many borrowing countries, the Bank often plays an active role in project preparation. Experience indicates that where more meaningful participation of borrowing governments has been achieved, it often enhances government commitment and ownership for the Bank-financed activity. Box 4 contains summaries of efforts involving women, the poor or groups directly affected by Bank-supported activities. In the case of such directly affected groups, participation has been elicited to improve the relevance and effectiveness of development efforts and to ensure that those who are intended to benefit from the investment have the capacity to sustain these benefits after external funding is withdrawn. Box 5 gives examples of increased participation by indirectly affected groups or institutional intermediaries. Institutional intermediaries are generally involved with a view to learning from the perspectives of the different interest groups they represent, drawing on the local field-based experience of these development organizations to help reach the disadvantaged and keep a close track on community-level activities. Section V provides evidence of where participatory approaches have fulfilled these different objectives.

30. While the Bank has most experience working with governments and certain indirectly affected stakeholder groups, special mention should be given to four areas where attempts are being made to increase the quality and impact of directly affected groups and the poor within the Bank's poverty alleviation efforts. First, in ESW, **participatory poverty assessments (PPAs)** are being undertaken in a number of countries, to complement the quantitative data on national level poverty.<sup>18</sup> Employing a variety of participatory assessment techniques, PPAs can help the Bank learn how the poor assess their own poverty, how their own survival strategies operate, and what kinds of government poverty alleviation strategies the poor are willing to support. The results of PPAs are now beginning to contribute to the Bank's poverty reduction policies in these countries. Second, in **water and sanitation**, extensive experience has been gained in participatory methods which directly involve the poor, including women, in the design, implementation and evaluation of community-based programs. Many of these programs make use of participatory techniques developed under a joint UNDP/Bank program called PROWESS, and are showing significant successes.<sup>19</sup> Third, a limited number of Bank-financed operations have attempted to promote **capacity-building efforts** and programs to provide the poor (in particular women)

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<sup>18</sup> Andrew Norton and Thomas Stephens, "Participation in Poverty Assessments", Participation Sourcebook Technical Paper, World Bank, Washington, D.C., April 1994.

<sup>19</sup> See Deepa Narayan and Lyra Srinivasan, "Participatory Development Tool Kit. Training Materials for Agencies and Communities", PROWESS, World Bank, Washington, D.C., April 1994; Deepa Narayan, "Participatory Evaluation: Tools for Managing Change in Water and Sanitation", World Bank Technical Paper no. 207, Washington, D.C., 1993.

with access to financial resources.<sup>20</sup> These activities are found in social funds, rural development funds, enterprise development programs, and in irrigation, rural water, nutrition, forestry and wildlife management projects. Accumulating evidence points to the positive impact of these efforts on the sustainability of development benefits.<sup>21</sup> Fourth, and perhaps most important, are ongoing efforts in agricultural lending and environmental assessments.

31. The bulk of documented evidence on participation is in agriculture irrigation and forestry; rural and urban development; and the social sectors. This bias, reflected in the examples shown in Boxes 3, 4 and 5, should not detract from the importance of participation in infrastructure and energy operations, as manifested both in project design and implementation as well as through environmental assessments. The potential of stakeholder participation for generating greater ownership of structural adjustment programs is also suggested by the Ghana example summarized in Box 3. In India (health and family planning), Burkina Faso and South Africa, ESW has been carried out with stakeholder involvement. In the ECA countries, both the World Bank and EBRD are supporting efforts to widen stakeholder involvement in infrastructure and the environment.

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<sup>20</sup> See Mike Goldberg and Lynn Bennett, "Providing Enterprise Development and Financial Services to Women: A Decade of Bank Experience in Asia" Technical Paper #236, World Bank, Washington, D.C., 1993.

<sup>21</sup> Deepa Narayan, "Designing Community-Based Development", Participation Sourcebook Technical Paper, World Bank, Washington, D.C., forthcoming.

**BOX 3. EXAMPLES OF INCREASED PARTICIPATION BY GOVERNMENTS****Central Government**

At the initiative of a senior government official, the discussions during the appraisal stage of the first *Structural Adjustment program (SAP) in Ghana* were opened up beyond the Ministry of Finance to include members of the SAP negotiating team, key economic ministers and civil servants, trade union and private sector representatives, the umbrella organization of local-level committees for the Defense of the Revolution, and selected members of the press. The government arranged a week-long series of workshops with these stakeholders and ensured that criticisms and disagreements were raised and discussed. At the end of the week, broad consensus had been reached on most of the SAP, a sense of ownership of the program had been built in the government, and feelings of suspicion about the Bank had softened considerably. A weekend retreat with key decision-makers helped to iron out remaining issues. Costs of this exercise included the fact that some of the work of the government and most of the work of the Bank mission was put on hold for a week. There was also initial distrust from the Finance Ministry for this open process. After this experience, these costs were deemed small in relation to the benefits realized.

**Local level Government**

As part of the National Solidarity Program in Mexico, the Bank is financing the *Municipal Solidarity Funds (FMS)* in four states, with the aim to increase the capacity of municipal governments to respond to local development needs with greater efficiency and accountability. Each community identifies priority projects and once its project has been selected by a specially formed municipal Solidarity Council, the community forms a Solidarity Committee to manage the work. The municipal Solidarity Council is responsible for ensuring that the projects chosen "benefit the largest number of least favored residents" and give priority to meeting basic needs such as water supply, education, electrification and rural roads. While the program has been limited by small project size (average cost has been \$11,000), and although in some municipalities decision-making is not very participatory (local officials have guided investments to lower priority projects, often for the improvement of the town center), the Municipal Funds have provided rural communities an opportunity for the first time to participate in decision-making and access financing for local investment.



**BOX 4. EXAMPLES OF INCREASED PARTICIPATION BY DIRECTLY AFFECTED STAKEHOLDERS, IN PARTICULAR MARGINAL GROUPS****Local People Consulted in ESW:**

A study on *Women in Development in Morocco* is using participatory rural assessment techniques to consult with rural women and the results of these consultations are being used to help guide workshop discussions on policy formulation to improve the well-being of women. Similar consultations are part of the *Country Economic Memorandum of Eritrea* which is being informed by the results of participatory poverty assessments, carried out in one hundred communities; similar participatory poverty assessments are being undertaken in a number of countries. An *agricultural sector study in Chile* recently included extensive informal consultations with representatives of the Mapuche people who suggested a whole series of ways in which the government could help alleviate the most severe poverty problems.

**Community Organizations Share Decision-Making in Project Preparation:**

The identification and design of the *Matruh Natural Resource Management project in Egypt* was undertaken in collaboration with Bedouin communities, a local consulting firm, university researchers, central and local government representatives. Community level participatory rural assessments were undertaken during identification to determine the priorities and needs of the population and this information then contributed to the project design. Community Groups have been formed, representing sub-tribes, and each group is preparing and monitoring the implementation of a Community Action Plan.

**User Groups Have Principal Responsibility for Project Implementation:**

The Bank is supporting a participatory program of the *National Irrigation Administration in the Philippines* which has been handing over operation and maintenance responsibility to community-level irrigation associations. The results of this new approach have been very impressive in terms of increased yields, decreased costs and more widespread and sustained benefits.

**Community Organizations Empowered:**

The *Social Rehabilitation Fund Project in Ethiopia* includes plans for an extensive training program for local community leaders and sub-project management committee leaders, with special emphasis on the participation of women. Training will be provided in local planning, needs prioritization, sub-project preparation and supervision, and management of micro-project funds and accounting. Local government officials and local NGO staff are in turn being trained to assist communities prepare and implement sub-projects.

**BOX 5. EXAMPLES OF INCREASED PARTICIPATION BY  
INDIRECTLY AFFECTED STAKEHOLDERS OR INSTITUTIONAL INTERMEDIARIES**

**Local Experts, NGOs Collaborate in ESW:**

The production of the report *Sub-Saharan Africa: From Crisis to Sustainable Growth. A Long-Term Perspective Study* (1989) involved substantial input from several hundred African government officials, academics and development professionals including representatives of the private sector and NGOs. Written contributions were sought from selected African authors from the early stages of the work and discussion workshops were held in many African countries to review the draft papers. The final product took much longer and cost substantially more than previous studies on Africa, but also had a much better reception within Africa and was considered a more accurate reflection of the issues Africa faces.

**Local Consulting Firms Collaborate in Capacity-Building:**

As part of the test phase of the *Antananarivo Urban Works Project in Madagascar*, local consulting firms are being trained in participatory planning methodologies and contracted to conduct workshops at the ward level to assist in the identification and prioritization of infrastructure projects. Municipalities are also being involved in these workshops, as they will be responsible for follow-up activities. The use of participatory approaches does not readily fit the administrative or work cultures of government organizations so multi-level training and careful monitoring will be an essential part of this activity.

**NGOs Have Principal Responsibility for Project Implementation:**

A private non-profit organization (FUNDASAL) was the implementing agency of a *low-cost housing project in El Salvador*. Indeed, FUNDASAL had been operating successful self-help housing projects for some years before the Bank began supporting its work under the first Sites and Services Project. The government guaranteed the loan and had no objection to the Bank working primarily with the NGO. The commitment of FUNDASAL's network of community-level promoters helped ensure high quality construction, and the non-governmental nature of the institution gave it good credibility in its efforts to encourage repayments. Indeed, the repayment rates were excellent and the project had a better cost/benefit ratio than any other housing program in the country. Unfortunately, as most of the housing projects of FUNDASAL were located in areas of high risk and confrontation, problems of violent unrest, as well as labor unrest, contributed to the paralysis of the project and substantial problems for the management of FUNDASAL itself. However, the overall experience was considered a very positive one, on the part of the local people, FUNDASAL, and the Bank.

**Local Women's Groups Empowered:**

The *Women's Enterprise Management Training Outreach Program (WEMTOP)* of the Bank's Economic Development Institute (EDI), in pilot phase in India, aims to enhance the income and self-reliance of landless and assetless women, by training staff of intermediary NGOs to deliver management training and follow-up support services. NGOs with experience in micro-enterprises with women's groups participated actively in the design of the program. The grass-roots approach of WEMTOP is a departure from the usual work of EDI and several NGOs were initially suspicious of the Bank's commitment to address participation and empowerment issues. Many important lessons are being learned from WEMTOP's innovative mechanisms to reach the disadvantaged.

### The Experience of the Bank and Other Agencies in Participatory Development

32. In comparing the participation experience of the Bank with that of bilateral development agencies, in particular CIDA, GTZ, ODA, SIDA, and USAID, several parallels are evident. These agencies have made participation an explicit agency-wide strategy only in the last five or six years (with the exception of SIDA where general guidelines on participation have been included in its overall strategy since 1980).<sup>22</sup> Although certain areas of their work have been using participatory approaches for some time, as in the Bank, policies and guidelines on participation are still being defined.<sup>23</sup> The most comprehensive policy statement on participation to date has been produced by USAID, setting out ten guiding principles on which the agency's participation-based development approach will be implemented.<sup>24</sup> The rationale behind the bilaterals' focus on participation is a concern for sustainable development, and in some cases has been accelerated by cutbacks in the budgets and staffing levels of the agencies themselves, which have required more responsibility to be passed to recipient countries. Reviews of participatory development work of these agencies reveal a similar set of participatory mechanisms to those used in the Bank and a very similar set of constraints as those encountered in Bank efforts to support participation, as outlined in section V of this report.<sup>25</sup>

33. One significant difference in the way participation is treated by these bilaterals, compared to the Bank, is in the extent to which participation is considered an end as well as a means. Statements from each of the four agencies listed above make explicit reference to participation being both an end and a means, and generally link their commitment to participation with their efforts in democratization, equity, good governance and human rights. As the Bank's Articles of Agreement explicitly prohibit the Bank from becoming involved in a country's political affairs, the specific issue of democratization is outside its mandate. The Articles also limit the extent to which the Bank can directly address the area of political human rights, although some of the ongoing efforts in poverty reduction, governance and human resource development are promoting such rights in an indirect manner.<sup>26</sup> Given the Bank's focus on economic development, its interest in participation is primarily one of improving the results of its investments.

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<sup>22</sup> SIDA's Strategy for Rural Development, accepted by its Board in 1980, includes the statement: "popular participation should be emphasized in the planning, design, and implementation of rural development projects. An ever-larger degree of popular participation should be sought during the implementation of such projects."

<sup>23</sup> For example, USAID's work in the field of child survival and primary health care, which has included participatory aspects for many years.

<sup>24</sup> The Statement of Principles on Participatory Development, presented by the Administrator of USAID in 1993, treats participation as the most basic feature of the development process, and clarifies the agency's commitment to constructing a development approach based on participation.

<sup>25</sup> A review of participatory efforts by the Africa Bureau of USAID lists the most common constraints as: shortage of staff time to encourage local participation; rigidities in USAID's procedures and requirements; poor relations between donors and NGOs; lack of representative organizations; the bureaucratic centralism and repressive nature of some host country governments; and the barriers of distance, infrastructure and language.

<sup>26</sup> In relation to the issue of human rights see, Governance: The World Bank's Experience, pp. 52-53, OPRPG, World Bank, Washington, D.C., 1993. See also The World Bank and the Promotion of Economic and Social Human Rights, report submitted by the World Bank to the World Human Rights Conference, Vienna, June 1993, and the address of the Vice President and General Counsel, Ibrahim Shihata, before the Conference.

34. The very different degree to which the Bank and bilaterals address the political dimensions of development is reflected in the focus of their efforts to directly increase the political influence of the poor. Many bilateral agencies view this issue as a critical part of their endeavors to help build democratic environments, as well as a means of enabling the poor to sustain the benefits of development after assistance is withdrawn.<sup>27</sup> The Bank's mandate limits its focus on the latter objective -- that of increasing the sustainability of development. One important advantage which bilateral agencies have over the Bank, in terms of their ability to support primary stakeholder participation in host countries, is their more extensive presence in the countries, and particularly at the field level. This continual presence, and the local knowledge deriving from it, has been cited as one of the main factors contributing to the agencies' success in building an enabling environment for participatory development.<sup>28</sup>

35. NGOs' experience with participation is substantial. As the objectives of many NGO projects are more commonly based on social development objectives, than is the case with the Bank or bilateral agencies, NGOs often operate relatively small-scale, locally-specific programs with a defined beneficiary population. These characteristics make their work more amenable to participatory approaches and, since NGOs do not generally work through governments, their programs are not constrained by the same bureaucratic procedures and occasional resistance to participation as can be the case in Bank-financed activities. However, NGOs face their own limitations. For example, their transaction costs, relative to resources deployed, are often high.<sup>29</sup> Since they rarely work directly with governments, their capacity to change government institutions and policy is limited, and efforts to scale-up their local successes have often proved problematic. NGOs also differ widely in their approaches to development, not all operating in a participatory manner.

36. One area of participatory development where the Bank is currently in the forefront relates to its recent efforts to link micro-level participatory research to the design of broader policies. This coupling has been provided by participatory poverty assessments and other ESW where the results of community-level consultations are complementing the available statistical data and contributing to policy recommendations. This micro-macro link and the methodological innovations associated with it are providing valuable lessons about the role of participatory approaches in the Bank's policy work. Due to limited, and often inadequate documentation, data collection and analysis, there is currently interest in the Office of the Vice President, Development Economics (DEC), to support wider research on participation.

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<sup>27</sup> One of USAID's ten guiding principles on participation states: "we will ensure that projects we support strengthen the capacity of the poor to take the next steps in their own and their community's development. That is, in all our efforts - not just those aimed explicitly to promote our "democracy" objective - we will seek to empower the poor to sustain the development process." (emphasis in the original).

<sup>28</sup> A review of SIDA's experience with popular participation states: "one of the main conclusions emerging from interviews with SIDA officials is that participatory approaches require long-term commitment and presence at the field and country levels. One of the most important advantages of SIDA's country programming ... is that they imply long-term cooperation and dialogue between SIDA and recipient countries. This dialogue has frequently been instrumental in motivating hesitant or reluctant recipient countries to accept participatory approaches and modify initial priorities."

<sup>29</sup> Mark Robinson, "Evaluating the Impact of NGOs in Rural Poverty Alleviation: Summary Report", Working Paper no. 54, Overseas Development Institute, London, U.K.

## V. LESSONS LEARNED FROM BANK EXPERIENCE IN PARTICIPATORY DEVELOPMENT

37. To identify the lessons of Bank experience, case studies of participatory Bank-supported activities, including both lending and non-lending operations, have been completed. A number of these studies addressed some or all of the twenty-one questions set at the beginning of the participatory development learning process (see Annex II). The analysis below aggregates these findings. After a brief analysis of the costs, risks and benefits of participation, this section addresses the questions (i) what conditions favor participatory development in Bank-supported activities; (ii) what are the main factors which limit the success of Bank-supported participatory initiatives; and (iii) what strategies have proven successful in overcoming these obstacles and enabling successful implementation of participatory Bank-supported activities.

### Costs and Benefits of Participatory Approaches

38. The quantifiable costs to the Bank of using participatory approaches in lending operations are largely incurred during preparation and early supervision. A recent survey of the participation-related costs of 42 Bank-financed participatory projects revealed that the most costly element of participatory preparation was the salary costs of professionals skilled in participation - Bank staff and consultants - on mission and at headquarters. The total number of staff weeks required for the design phase of participatory projects was on average 10% to 15% more than that needed for non-participatory projects.<sup>30</sup> Costs were often covered by sources of funding outside of Bank resources - several participatory projects financed as much as 50% of the total staff weeks during preparation from trust funds; recipient governments or communities often absorbed the costs of workshops and seminars through their budgets or Project Preparation Facility-type funding. The increment in staff time varies with the nature and extent of the participatory approaches used and the level of experience and support on the part of the Borrower. More time is spent on preparation when participatory approaches are new to the Borrower, where the Bank needs to convince the Borrower of the value of such approaches, and when extensive institutional assessments are required. Similarly, preparation time may be longer when the level of participation sought is higher. A forestry sector project in Pakistan, for example, will include a stage in which the project plans are discussed in dozens of villages. These plans will then be revised in response to villagers' reactions and the modified version will be presented to them for a second review. A process such as this may add months of elapsed time to the preparation phase of a program, although the costs to the Bank in terms of applied time may not be significantly higher in such cases. In this same survey, the task managers interviewed concluded that elapsed time for participatory projects up to Board approval does not, on average, differ significantly from non-participatory projects.<sup>31</sup>

39. The survey results, backed up by evidence from recent work on participatory project planning<sup>32</sup> suggest, however, that the overall time from project identification to signing of the loan need not be

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<sup>30</sup> Jesko Hentschel, "Does Participation Cost the World Bank More? Emerging Evidence", *HRO Working Papers*, No. 31, World Bank, Washington, D.C., June 1994.

<sup>31</sup> Barbara Parker, "Participatory Approaches to Poverty Reduction: Issues from World Bank Experience in South Asia", World Bank, Washington DC, 1993.

<sup>32</sup> Jim Kearns and Jim Edgerton, "Participatory Project Planning (PPP): Participation Sourcebook Technical Paper, draft, World Bank, Washington, D.C., May, 1994.

significantly longer for participatory projects. The Matruh resource management project in Egypt (see Box 4), which closely involved Bedouin communities and government personnel to create ownership and meet felt needs, made up the extra time invested during preparation by going through a smooth negotiation process and achieving quick loan effectiveness.

40. The survey results also indicated that projects involving participation required more supervision missions during early implementation, to strengthen or create local organizational structures and collaborative mechanisms. Overall the supervision of non-participatory projects required two-thirds of the staff weeks that the participatory projects did; however, a number of task managers believe this extra effort spent in the early years of the projects will be offset by lower intensity supervision in later years.

41. Disbursements were not reported to be slowed in any of the participatory projects surveyed. However, other studies have shown that some delays in disbursement may occur during the early stages, where communities are given the responsibility to select, design and implement project activities, due to the initial time required to build up community capacity and awareness.<sup>33</sup> Rapid increases in the subsequent numbers of communities involved and in their capacity to manage the activities may make up for any lost time. And, since these initial stages are crucial for the long-term success of the project, such trade-offs in the speed of start-up are generally worthwhile.

42. More qualitative, perceived "cost" factors related to the Bank adopting participatory approaches have been noted. For participatory ESW, these include: partial relinquishing of control over the process and conclusions (although this perceived cost can reflect successful shared ownership); the possibility that the agenda originally planned will be changed by the stakeholders involved (causing delays for the task manager); and a possible reduction in the technical quality of some of the work, the extent to which it is taken seriously by client governments, and the extent to which it fits Bank requirements.<sup>34</sup>

43. Possible participation-related costs to the Borrower in Bank-supported operations include the use of a proportion of the project loan to finance participatory activities such as workshops and field visits; extra time spent in negotiating with other stakeholder groups; and partial yielding of control during design and implementation. For the poor, the costs of their participation are generally measured in terms of their added time spent on organizational matters (attending meetings, discussing priorities, resolving conflicts, etc.), and any cost-sharing contribution they make, which sometimes may be considered large. For example, in a Bank-financed irrigation rehabilitation project in Sri Lanka, a member of a farmer's organization who served as a representative to the district canal organization was forced to rent out his land because he found it impossible to perform all the tasks of both producer and farmer representative. Unable to maintain his livelihood, he eventually resigned his leadership position and left the farmers' organization altogether.

44. The benefits of participatory approaches in lending operations are most often evidenced as improvements in the quality, effectiveness and sustainability of the development effort. The *Annual Review of Evaluation Results 1992*, by the Bank's Operations Evaluation Department (OED) listed

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<sup>33</sup> Mary Schmidt and Alexandre Marc, "Participation and Social Funds", Participation Sourcebook Technical Paper, working draft, World Bank, Washington, D.C., March 1994.

<sup>34</sup> Aronson, *op cit.*

borrower ownership and beneficiary participation as two important features of the twenty-four lending operations classified as outstanding.<sup>35</sup>

45. A statistical analysis of evaluations of 121 rural water supply projects throughout Asia, Africa and Latin America, supported by 18 international agencies including the Bank, revealed "beneficiary participation" as the single most important factor in determining overall quality of implementation.<sup>36</sup> The results established that participation (by women as well as men) was a significant contributor to overall project effectiveness as well as to the proportion of water systems in good condition, overall economic benefits, percent of target population reached, and environmental benefits. The analysis also demonstrated that beneficiary participation was the single most important factor contributing to increased access and control over water resources. It also resulted in community members acquiring new water-related and organizational skills, and strengthened community organizations which went on to undertake other development activities.

46. Other observed benefits of participation in case studies of Bank-financed projects include:

- **an increased uptake of project services.** When farmers have been involved in the identification of agricultural extension priorities, they are more likely to adopt the associated extension packages. A cotton project in Burkina Faso, which had a participatory focus, showed an almost fourfold increase in the number of farmers affected by the extension programs, and a doubling of cotton production during the same period.<sup>37</sup> A Bank-financed participatory extension program in Thailand achieved sustainable positive impacts by working closely with hill tribe communities in defining investment and production priorities, including the use of group problem census techniques.<sup>38</sup>
- **decreased operational costs.** When village level water committees were given responsibility for water pump maintenance in a rural water supply project in Cote d'Ivoire, the annual maintenance costs were reduced to less than half those incurred during the previous centralized system, and breakdown rates of hand pumps maintained by water committees were 11%, compared with a 50% breakdown rate for other water points. In the Philippines, operational and maintenance costs of irrigation systems managed by farmer associations were found to be significantly lower than those for centrally-managed systems, due to cost-sharing contributions and policing by the associations.<sup>39</sup>

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<sup>35</sup> The OED report uses the term "beneficiary participation" to refer to final beneficiaries participating actively and effectively in project preparation and implementation.

<sup>36</sup> Deepa Narayan, 1994 *op cit*. This study used the term "beneficiary participation", defined as a process by which people, including the disadvantaged, influenced or control the project decisions that affect them.

<sup>37</sup> Della E. McMillan, *et al*, "Evolving Participation: Institutional Issues in Participatory Development. Case Study: Burkina Faso", World Bank, Washington, D.C., April, 1994, pp. 23-24.

<sup>38</sup> Dennis Purcell, "Agricultural Extension: Lessons from Completed Projects", Report no. 13,000, Operations Evaluation Department, World Bank, Washington, D.C., April, 1994.

<sup>39</sup> NIACONSULT, "Farmers' Participation in National Irrigation Systems in The Philippines: Lessons Learned", World Bank, Washington, D.C., December, 1993.

- **an increased rate of return.** In Nicaragua's municipal development project, the quality of completed civil works in barrio upgrading was due in part "to the active participation of the direct beneficiaries in overseeing the operation" according to the Project Completion Reports. This primary stakeholder participation contributed to a rate of return which was 50% more than appraised, and the planned 5-year project was completed in 3½ years; and
- **increased incomes of primary producers.** In the Philippines national irrigation project, the establishment of farmers organizations to manage some of the systems resulted in those farmers gaining better access to agricultural inputs, thus increasing the dry season rice yield, and increasing the net incomes of farmers by an average of 50%, the greatest gains achieved by farmers at the tail-ends of systems. In India, some women's groups which were formed as part of a community-based health care program in Tamil Nadu, went on to work together to produce and sell food.

#### **Conditions Affecting Participatory Development Within Borrowing Countries**

47. Comparative analysis of diverse experiences with participation shows that three conditions within borrowing countries will largely determine the feasibility of participatory development approaches in Bank-supported activities. These conditions are:

- ***A favorable system of governance***  
usually including the presence of participatory decision-making structures and a relatively open relationship between government and stakeholder groups.
- ***Financial and organizational capacities for participation***  
including strong local level organizational capacity; capable organizations representing the poor and strong capacity of local level development workers and government at central and local level.
- ***Previous experience with participatory approaches***  
including a history of participatory approaches within the implementing agency(ies) and top-level officials supportive of participatory approaches.

#### **Constraints on Participatory Development**

48. In addition to the absence of one or more of the above general conditions, a number of more specific factors can limit the successful implementation of participatory development initiatives. Four kinds of limitations have been encountered in participatory Bank-supported activities: (i) Bank institutional constraints; (ii) borrowing government institutional constraints; (iii) political constraints; and (iv) shortcomings of the processes supporting the development effort.

49. The Bank's own institutional procedures and characteristics place a number of constraints on the implementation of participatory approaches. Some of the most common constraints include: (i) interpretation of procurement and disbursement procedures in ways that limited flexibility, causing



difficulties and delays in community level activities;<sup>40</sup> (ii) the limited field presence of Bank staff to establish good rapport with local organizations and to monitor the performance of implementing agencies; (iii) the lack of clear guidance, incentives, and, in some cases, support, for task managers to carry out participatory work; and (iv) the pressure to maintain project processing schedules, restricting the time available for project preparation, often leading to subsequent problems when physical infrastructure is in place before sufficient organizational capacity has been developed, and ultimately decreasing the level of participation achieved. For example, a Bank-assisted water supply project in Tanzania listed "full participation of villages in all project activities" as a prime objective. However, with yearly targets for the number of wells constructed, and a low level of demand from villages, construction crews eventually did everything themselves so as not to "slow down" implementation progress.<sup>41</sup>

50. Institutional characteristics of borrowing governments cause problems in participatory projects when: (i) the staff of government implementing agencies are resistant to the required changes in their mode of working to accommodate participatory approaches. As one high level government official stated during a participation study, "delegating powers is a red light for the department -- no one would like to support anything that reduces their overall control or status";<sup>42</sup> (ii) there is a lack of staff with appropriate participation-related skills in technically-oriented agencies; (iii) a participatory project relies too heavily on the commitment of specific government officials, and these people move or their area of responsibility changes; and (iv) the borrowing government and stakeholder organizations view each other with suspicion. These problems were reflected in health sector strategy work in Guinea, when officials in the Health Ministry were startled that the task manager wished to consult broadly in the countryside, initially judging consultations with "illiterate villagers" a complete waste of time.<sup>43</sup>

51. Political constraints which have limited the success of Bank-financed participatory projects include: (i) the absence of representative structures both at the national and the community level, including the problem of co-optation by local elites;<sup>44</sup> (ii) situations of conflict between different local level groups over resources where participatory efforts may be seen to favor one group over another; (iii) weak capacity of local organizations, in terms of their financial or legal status, their technical or managerial capacity, or qualities of leadership; and (iv) partisan politics and political manipulation, especially in the lead-up to elections. For example, In the case of a participatory integrated rural development project in Ecuador, the government was suspicious of second-level campesino organizations

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<sup>40</sup> For an analysis of this issue and a series of recommendations on making procurement and disbursement procedures more favorable to participatory approaches, see Advisory Committee on Procurement and Disbursement Issues in Bank-Financed Projects with Community Participation, "Study of Procurement and Disbursement Issues in Projects with Community Participation", AFTHR Technical Note No. 17, World Bank, Washington, D.C., April, 1994. One important outcome of this study was a modification to the procurement guidelines, to facilitate community participation.

<sup>41</sup> Narayan, 1994, *op cit*, pp. 73-74.

<sup>42</sup> Marcus Moench, "Farmers' Participation in Water Management in Gujarat", World Bank, Washington, D.C., 1993.

<sup>43</sup> Aronson, *op cit*.

<sup>44</sup> For example, in the national social forestry project in India, where village panchayats were given control over tree farming and village woodlots, trees were not used to meet the resource needs of the poorer members of their communities as the panchayats were more interested in generating cash income from the forests; Parker, *op cit*.

as representing opposition political groups and of NGOs as opponents of official policies.<sup>45</sup>

52. Shortcomings in the process by which participatory Bank-supported activities have been undertaken include: (i) implementation responsibility divided up among several specialized agencies which have not collaborated with each other in the past; (ii) insufficient training given to project staff who are unfamiliar to working with stakeholder organizations, and insufficient incentives offered to these organizations to become involved in the process; (iii) insufficient efforts to raise the awareness of the borrowing government about the value of participatory approaches, limiting their sense of ownership and the sustainability of the effort; (iv) problems in identifying representative stakeholder groups; and (v) inadequate attention to involving women and the poor in the process, limiting the overall success of the project.

### Successful Strategies for Participatory Development Initiatives

53. Evidence from case study material produced as part of the learning process, additional Bank documents and conversations with task managers, has shown a number of ways in which the above constraints have been tackled or minimized by task managers and others responsible for designing and implementing participatory activities.

54. Successful strategies which have been used to tackle some of the institutional constraints of the Bank include: (i) adopting a more flexible approach to project development; (ii) using a variety of innovative funding mechanisms, usually involving some form of intermediary organization as a channel for funds to communities, as in many social funds; (iii) task managers maintaining a close field presence and getting acquainted with some primary stakeholder organizations; and (iv) task managers mobilizing extra resources (including the Japanese and other trust funds) to supplement the limited resources normally available in the Bank for project preparation. However, it should be noted that this search for funds is itself not without costs. One task manager reported that, while ten years ago he spent only a negligible amount of time generating extra resources for project preparation, he now spends about one-third of his time on this.

55. Some institutional constraints of borrowing governments have been overcome by: (i) encouraging an appropriate decentralization of authority to local levels of administration and elected authorities;<sup>46</sup> supported by (ii) undertaking and facilitating opportunities for local government administrators to interact with stakeholders; and (iii) ensuring project staff have adequate incentives and skills to do a quality job. For example, as part of several forestry projects in Nepal, training programs are being conducted for forestry officials to facilitate greater communication and cooperation with rural forest users. Local officials have also been trained to watch for attempts by the wealthy to take control

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<sup>45</sup> Thomas Carroll, "Ecuador Participation Study (PRONADER Project): Some Preliminary Findings", World Bank, Washington, D.C., May, 1994.

<sup>46</sup> As in the Municipal Solidarity Funds program in Mexico, in Box 3. See Jonathan Fox and Josefina Aranda, "Community Participation in Mexico's Municipal Funds Program: The Case of Oaxaca", working draft, World Bank, Washington, D.C., December, 1993.

of forests from broad-based users groups, and to focus on genuine elected leaders of such groups.<sup>47</sup>

56. Where social and/or political factors limit participatory approaches, innovations include: (i) starting where success is more likely -- in communities where people have already organized to achieve shared objectives, where conflicts are not a major problem, where local government officials have shown their support for participatory approaches and where the climate for participation is favorable; (ii) building on existing programs of governmental or non-governmental organizations; (iii) supporting persons within governmental agencies who are pursuing participatory approaches, by working with and through them; and (iv) undertaking a thorough assessment of local organizations and designing appropriate capacity-building programs where needed. The poverty alleviation project in Albania and the Social Investment Fund in Bolivia are two examples of Bank-financed participatory initiatives where an evaluation was undertaken, prior to project identification, to assess community organizations, particularly in relation to their ability to represent those who were intended to benefit.

57. A variety of approaches have already been adopted in the design and implementation of Bank-financed work, to improve the level and quality of the participation process. These methods include: (i) starting with a pilot phase to test the participatory mechanisms and the capacities and commitment of stakeholder organizations before mounting a full-scale effort - as is planned in the Sindh Special Development Project in Pakistan; (ii) inviting the participation of groups who oppose as well as those who support planned work; (iii) sharing implementation responsibility with a range of agencies, both public and private, and encouraging a certain amount of competition between them; as in a rural water supply and sanitation project in Nepal, currently in a pilot phase, which will make funds available to any agency - community, private, NGO, or public - to provide water services for the rural poor, based on a common set of transparent criteria (interestingly, this mechanism was developed in response to a clear lack of interest within the relevant government agency for small rural water projects<sup>48</sup>); (iv) giving local communities a choice of which organizations they wish to collaborate with; (v) making special efforts to seek the participation of a range of community members; (vi) requiring "participation agreements" between project agencies and participating communities to outline the activities to be undertaken and the responsibilities of each party, as is the case in the Bank-supported Kampung Improvement Program in Indonesia;<sup>49</sup> (vii) requiring some contribution by beneficiaries, either financial or in labor or time; and (viii) facilitating exchanges of experience between communities by arranging field visits to successful examples of community organization. One such exchange is underway in Nepal, as part of the Bank-supported hill community forestry project. This project was not initially very successful, partly because many villages had not heard about the project and were unclear about the possibilities for user groups to manage forests. A local NGO has therefore been given the task of organizing scores of village meetings to advertise the government's policy on user group forest management, and to bring villagers who are unsure or skeptical about the feasibility of such mechanisms to villages where successful groups are operating in forest management.

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<sup>47</sup>The relationship between participation and governance is increasingly emphasized, particularly with regard to improving public sector management, transparency and accountability. See "Governance: The World Bank's Experience," World Bank, Washington, D.C., 1994.

<sup>48</sup> Narayan, 1994, *op cit*; Shirley Buzzard, "The Rural Water Supply and Sanitation Field Testing Project, Nepal: A Case Study of Participatory Monitoring and Evaluation", World Bank, Washington, D.C., (forthcoming).

<sup>49</sup> LP3ES, "Assessment of Popular Participation of KIP-JUDP III", World Bank, Washington, D.C., (forthcoming).

## VI. CONCLUSIONS

58. The following lessons have emerged from the participatory development learning process. They form the basis for the longer-term strategy as well as the immediate action plan put forward at the end of this report.

59. In the past, the Bank exercised a great deal of selectivity and left borrowing clients wide latitude in deciding whether or not stakeholders would be involved in shaping Bank-assisted operations. While there is a need for much more empirical work on the costs and benefits of participation (work which DEC has now proposed to undertake), there is nevertheless sufficient evidence that broader stakeholder involvement is warranted in circumstances where:

- the support and involvement of affected groups is necessary for the appropriate design and sustainable implementation of a proposed lending operation, for example by helping determine community-level activities, by contributing time or labor, or by contributing financially;<sup>50</sup>
- technical and other institutional stakeholders can usefully provide additional knowledge, skills and experience, or when they are called upon to act as conduits to and from disadvantaged groups;<sup>51</sup>
- stakeholder groups are actively seeking to influence a Bank-supported assessment, ESW or decision-making process pertaining to a proposed lending operation;
- a proposed investment has adverse potential social consequences requiring mitigation, design modification or a decision not to proceed.

60. The Bank can not be responsible for ensuring participation on behalf of borrowers, any more than it should be expected to prepare projects. Such a step would run counter to the objective of client ownership and, indeed, the Bank's Articles of Agreement. But, based on the analysis above, it is in the Bank's interest to enable and encourage borrowers to pursue more participatory approaches, appropriate to their circumstances and culture, in order to facilitate better policy and project outcomes. In exceptional cases – for example, where the design and implementation of a proposed project depend critically on the involvement and participation of affected people and groups, and where a borrower is reluctant to invite such participation – the Bank may have some difficulty processing projects in the absence of appropriate participation in project development. This observation should not be interpreted as yet another conditionality, nor as a scenario that is likely to occur often -- if at all. Furthermore, the shift in the Bank's lending patterns (toward human resource development and environmental activities) leads more and more borrowing governments to elicit broad stakeholder involvement. In situations where the borrower is willing to invite broad stakeholder participation but does not have the capacity, the Bank should make particular efforts to help build such capabilities through greater reliance on the Project Preparation Facility (PPF) and other instruments.

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<sup>50</sup> As shown in the study of 121 water projects, Narayan, 1994, *op cit*.

<sup>51</sup> See Mary Schmidt and Tom Carroll, "Intermediary NGOs and Participation", Participation Sourcebook Technical Paper, World Bank, Washington, D.C., (forthcoming).

61. This report recognizes that there are numerous obstacles to creating an enabling environment for participation. The "participation agenda" is going to be difficult to facilitate in many developing countries, particularly since the Bank's role is to strengthen borrowing governments' ability to promote participatory approaches and not to circumvent governments. The political environment may be unfavorable and the institutions and mechanisms required are often weak or non-existent. Capacity will have to be expanded and awareness raised both inside and outside of government. A move to systematically facilitate participation will require the Bank to better understand borrowers' political and sociological environment and adopt appropriate time frames in which to build up necessary institutional capacity and experience. The Bank's experience in these areas of governance analysis and public sector management is limited, and its internal capacity weak with respect to support for participatory approaches. Participation-related learning opportunities and training programs for Bank staff will therefore need to be greatly expanded.

62. While engaging with borrowing governments and various stakeholders is not an easy task, the most pressing challenge for the Bank is to involve the poor and other marginal groups. This requires a determined emphasis on participatory mechanisms which can directly involve the poor. The impact which the Bank can make by itself involving the poor more fully in development is limited. However, recognition is increasing about the need to help governments address directly the constraints to participation by the poor.<sup>32</sup> Recognizing that the market is often the most effective promoter and medium of participation, private sector development efforts should focus more on finding new ways to reach and involve the poor.<sup>33</sup> It seems timely to reconsider the Bank's role and capacity to (i) help borrower governments make financial resources more available to poor people (by stepping up efforts in fiscal decentralization, micro-credit, vouchers, and other market mechanisms) and (ii) to strengthen the organizational and managerial capacities of stakeholder organizations to more effectively represent the needs of their members, including the poor and disadvantaged. The Bank's capacity to help governments address both these issues will require close working relations with intermediary organizations operating at the grassroots level, and appropriate expertise within Resident Missions.

63. In view of the above conclusions on the increased role which the Bank can play in adopting and promoting participatory development approaches, an immediate action plan has been developed within the context of a long-term strategy by which the Bank can re-orient its work by placing a greater emphasis on participation. What is required is the recognition that participation is "the right way of doing business."<sup>34</sup> In a recent letter to staff, President Lewis Preston captured many of the key elements of the analysis above: "I believe our stakeholders would like to see a Bank that is even more effective than it is today; even more accountable for the consequences of its actions; more client-centered; responsive, agile and flexible; more concerned with results rather than intentions; committed to quality defined mainly

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<sup>32</sup> See "Deepening the World Bank's Strategy for Reducing Poverty and Hunger: Conclusions from the Hunger Conference," draft, World Bank, Washington, D.C., May 5, 1994.

<sup>33</sup> While the poor can participate and benefit through the market, it should also be recognized that, due to market failure, there is a continuing need for government intervention to provide essential services to the poor and to provide bridging opportunities between organizations of the poor and the commercial market.

<sup>34</sup> Sven Sandstrom, Managing Director "Introductory Remarks to Participation Workshop", May 18, 1994, World Bank, Washington, D.C.

in terms of the development impact of its operations; and measurably more efficient and cost conscious. The Bank of the future must thus be one in which our unique and remarkable professional energies are fully dedicated to the pursuit of excellence. Some of our present business practices get in the way of realizing that."<sup>35</sup> While continuing to encourage borrowing governments to take ownership of their development policies and programs, the Bank also needs to encourage governments to invite the participation of a much wider range of stakeholders in order to improve and sustain development efforts. The following section sketches out a strategy which underlines the broader use of participation as the basis of our interaction with client countries, and then describes how the Bank will prepare itself to act accordingly. The strategy is offered to pull together currents already evident in several parts of the Bank, and as a response to the rapidly changing conditions under which development effectiveness must be achieved.

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<sup>35</sup> President Lewis Preston, letter to all staff, April 22, 1994, World Bank, Washington, D.C.

## VII. A LONG-TERM STRATEGY FOR INCREASED PARTICIPATION IN BANK WORK

**64.** *Emerging out of this analysis, participation is critical to a long-term strategy for more effective collaboration with client countries across every facet of Bank work, with the intensity of participatory involvement varying according to different country and task situation. The strategy is long-term because it entails bringing about a broad cultural change in the way business is conducted:*

- Dialogue with borrower countries must start with efforts to understand, take into account, and, where appropriate, actively address, the concerns and issues of stakeholders – governments, private interests, those affected (especially women), local leaders, any vulnerable group likely to be negatively affected, and local institutions.
- The degree to which community participation is occurring will be an explicit focus of country dialogue and Country Assistance Strategies. Bank support for development investments and economic and social policies will be defined in partnership with governments, reflecting where relevant their willingness to elicit and take into account inputs from those affected as well as other stakeholders.
- Analytical work (ESW) will be more collaborative, and will aim at an objective of policy formulation or change, rather than of producing a report. Country economic and sector work will look at institutional capacity, public and private, to carry out essential development-related functions. Analyses will be discussed at workshops or seminars at appropriate stages. Poverty assessments will incorporate what low-income groups think about "poverty" and who should work with them to alleviate it.
- The Bank will encourage and finance technical assistance to strengthen country mechanisms for involving the poor and other stakeholders in development interventions.
- The Bank will help strengthen borrowers' efforts to pursue participatory approaches to development. The Bank will also seek opportunities in international fora (e.g., Consultative Groups) to promote such participatory approaches.
- Responsibility for preparing programs or projects will shift more broadly to borrowers, in consultation with those affected, potential executing agencies (which may be non-governmental) and other stakeholders. Borrowers will be encouraged to undertake social assessments<sup>56</sup> where significant stakeholder participation is needed or significant social impacts are likely. Sustainability of development initiatives will be a high priority. Borrowers will be encouraged to set up participatory monitoring in development activities, involving beneficiaries in collecting and interpreting data to assess progress towards planned objectives. Impact evaluations will be conducted on a selective basis; they will also aim to involve stakeholders in identifying, collecting and interpreting the relevant data.
- Aid coordination processes will include major non-governmental suppliers of assistance and will

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<sup>56</sup>A best practice note on social assessments has been drafted by ENVSP and is available. Social assessments are being piloted in parts of the Bank.

review institutional development as well as financial assistance.

- Bank research and programs supported by the Economic Development Institute (EDI) will cover more social assessment and participatory evaluation techniques.
65. *Clearly a number of changes will be central to achieving this goal.*
- Senior management of the Bank should continue to send the strong message that "stakeholders matter," "our fundamental objective is helping borrowers reduce poverty and improve living standards through sustainable growth and investment in people,"<sup>57</sup> and "a broader range of stakeholders, particularly the poor, should have a say in what their governments plan and carry out for their proposed benefit."
  - Adequate expertise to facilitate participatory techniques will be available across the Bank (located in Country Operations Divisions, larger resident missions, and appropriate SODs and CVPs). The CDs will encourage identification of promising approaches to participation and facilitate broad-based discussion of strategy, drawing also on the field experience and specialist knowledge of relevant NGOs.
  - Bank recruitment and training programs will increasingly emphasize the use of practical tools for effective communication and participation. Field-based learning opportunities and training resources in these areas will be made available to operational staff and training for managers will equally emphasize the critical elements of consulting and facilitating stakeholder participation.
  - Divisional and task managers will allocate resources to participation from the first stages of every task, as an integral part of the Bank's approach to understanding how to enhance project quality and achieve development objectives. To the extent that this increases the unit cost of tasks, managers will drop lower priority tasks and redeploy resources to higher priority activities which then can be better prepared. Adequate time will be given to the consultative process during project identification stages, pausing if needed to permit institutional strengthening to take place within the local executing agencies or the community organizations. Flexible modes of delivering Bank services will be pursued in support of programs and processes. Resources of the Institutional Development Fund (IDF) could be used by countries to help enhance their capacity to undertake participatory processes and initiatives.
  - Electronic networks and databases, linked to government, non-government and local sources as well as internally, will enable Bank operational, research and training staff to exchange experiences, check for resources (human, knowledge or financial) and easily locate examples of prior work related to participatory development to inform their support of the country efforts. Borrowers will be assisted to organize similar networks.
  - The Bank will monitor and evaluate its progress toward achieving its participatory goals, in terms of institutional and individual performance. HRO will be directly responsible for identifying

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<sup>57</sup>Quoted from Foreword from the President, in The World Bank Group: Learning from the Past, Embracing the Future, World Bank, Washington, D.C., July 1994, p. 6.



indicators to be monitored by the Regions. Assessments will address the effectiveness with which participatory principles are applied, a range of stakeholders identified and consulted by the executing agencies or the Bank, and client concerns integrated into analyses and investment processes and their capacities enhanced.

### VIII. IMMEDIATE ACTIONS TO MAINSTREAM CURRENT BANK WORK ON PARTICIPATION

66. From the foregoing, it is clear that a variety of steps are being taken to initiate broad-based approaches to participation in the context of Bank work. Extensive discussion of this Report with management and staff within the Regions revealed a strong wish to deepen current efforts, ranging from greater community participation to greater stakeholder involvement in policy dialogue and sector work.

67. Participation is really about facilitating change and, as such, can be relevant in any sector or Bank-funded task – not only in poverty-targeted work and the social sectors. While it is reasonable and desirable to invite continued learning about when and where participation is appropriate, there are sufficient grounds to warrant stepping up efforts to mainstream participatory approaches. Regions will continue taking steps to be more participatory, and will be supported in moving beyond experimentation to learning by doing and sharing best practice. In the context of this effort, it is recognized that selectivity will be necessary both to accommodate country conditions and to optimize resource use in the currently constrained environment. Such selectivity (for example, in the choice of "flagship" operations) should not be an excuse, however, for business as usual. Finally, a theme which has emerged across operations is that the Bank's interest in participation is to improve the results of its operations. The Bank's efforts should be primarily to strengthen borrowing government efforts to promote stakeholder participation – not to circumvent, substitute or supplant government responsibility.

68. The following actions summarize management's plan to strengthen and mainstream the Bank's existing work in participation. These actions are grouped in such a way as to reflect ongoing activities which now deserve to be mainstreamed, followed by complementary actions which would be undertaken in the near future in support of mainstreaming objectives.

69. Borrowing governments would also incur additional costs, some of which could be financed through the Project Preparation Facility. The Institutional Development Fund (IDF) might be explored for its potential in enhancing capacity building through more effective use of participatory approaches. Within the Bank, the Fund for Innovative Approaches in Human and Social Development would foster innovation, but not substitute for redeployment of regular budget resources.

70. Although lasting benefits from participation take longer to emerge, and are more difficult to quantify, they can be expected over time to offset incremental costs. Short and long-term benefits are expressed in terms of better quality at entry, enhanced commitment and ownership, and sustainability of capital investments.

71. The projected cost of implementing the actions presented below is \$30 million per year which is approximately 5% of the FY95 Regional budget. Any overall budget impact depends on decisions about redeployment from other activities (and consequent reduction in associated outputs) if no budget growth is presumed – as well as the extent to which trust funds are resorted to for off-budget funding of these incremental costs. In other words, mainstreaming would be undertaken in such a way that relevant VPUs would be expected to set priorities in order to introduce or expand participatory approaches within unit work programs (see Annex V for costing assumptions and breakdown).

**Strengthening Ongoing Efforts**

72. The following actions are already underway and would be expected to be mainstreamed over the next three years:

- (i) **Support Government efforts to promote a more enabling environment and institutional reforms for participatory development within client countries**, by evaluating obstacles to participation in borrowing countries and working with governments to remove major constraints by fostering collaboration between government and stakeholders; and strengthening the capacities and commitment of central and local government to adopt participatory development approaches through training programs, policy dialogue and public sector management activities.
- (ii) **Broaden ESW activities to ensure involvement of a wide range of stakeholders**. In some countries the implementation of some types of ESW is being passed to, or shared with, local entities, while elsewhere the Bank still retains primary responsibility until borrower capacity is strengthened. Sector work itself, as well as the review process, can usefully be opened up (as has been evidenced in participatory poverty assessments, some national environmental action plans and other ESW) to include stakeholders with a range of expertise and perspectives. Appropriate steps will be taken to increasingly share ownership of ESW by involving various stakeholders. The Bank will, of course, retain the right to decide on its policy recommendations and its priority areas of assistance.
- (iii) **Encourage a *culture of participation* and strengthen the requisite skills of Bank staff through:**
  - (a) **Stronger incentives**. Attention to the participatory elements of operational work will be built into performance and promotion criteria. Staff who take particularly creative participatory initiative will be recognized, and the lessons learned from such projects and experiences will be disseminated broadly, as is already beginning to occur. The competencies for operational career streams will be reviewed and refined to include specific reference to the skills most relevant to participatory development.
  - (b) **Selective recruitment**. For functional areas and positions requiring experience in participatory approaches, the relevant skills (process management, facilitation, etc.) will be built into the search and selection criteria. The Recruitment Division will collaborate with Resident Missions in identifying individuals experienced in participatory approaches. And, in countries where the Bank's portfolio depends significantly on participatory approaches, Resident Missions will be encouraged to recruit local staff skilled in these methods.
  - (c) **Focused training**. To develop the skills of operations staff, a training agenda will be developed, building on the already established curriculum to strengthen portfolio management. The agenda will include field-based developmental assignments, structured training, and case studies of how Bank staff learned about and implemented participatory approaches. The objective will be to familiarize Bank staff and managers with participatory approaches and to develop the process skills that will make them more comfortable with employing these approaches in Bank work. In developing this agenda,

the Bank will draw on the experience of other organizations, including for example the GTZ. The implementation of developmental assignments will require initiative and sponsorship by regional and central Vice Presidencies, with administrative support from Personnel. Design and delivery of the structured training initiatives will require close collaboration between these Vice Presidencies, EDI, and the relevant Staffing Groups, under MPS coordination.

- (iv) **Maintain innovation, learning, and accelerate mainstreaming of participation.** Expertise in participation-facilitating skills should be available to every Country Department with additional resources in the CVPU's and regional TDs to backstop and advise task managers. This requires (a) Recognizing that participatory projects cost more to prepare, regional budgets will focus on encouraging participation when appropriate. (b) Recognizing the need for a differentiated approach to countries based on their specific circumstances and readiness to adopt participatory approaches on a large scale, Regions could choose to identify and undertake "flagship operations" (currently done in the South Asia Region) which would be prepared in ways that emphasize innovation and extensive use of participatory approaches. (c) Through appropriate use of the Fund for Innovative Approaches in Human and Social Development, Regions will continue to test new areas and approaches to participation. (d) Regions will support the mainstreaming of proven best practices of participation by (i) simplifying and clarifying internal business processes; and (ii) providing incentives for quality in lending by requiring project monitoring to address the quality of the process as well as quantitative targets, and providing more flexibility and time in design and implementation.
- (v) **Adopt proposed revision of the Bank's procurement guidelines in the interest of enabling governments to** (a) support participation of local communities and NGOs; (b) increase utilization of local know-how and materials; and/or (c) employ labor-intensive and other appropriate technologies. Clarification of current procurement guidelines will be accompanied by appropriate manuals (such as are being prepared in the Africa Region) to guide staff on designing procurement and disbursements in Bank-financed projects with community participation.
- (vi) **Maintain institutional arrangements to continue learning about participation.** (i) A more broadly-based, representative Bank-wide learning group on participation will be created to identify and promote participatory techniques, while actively engaging other divisions and departments in areas of their distinctive competence. (ii) Continue leadership initiatives of OPR (in NGO links and coordination of the Bank-wide learning group) and of ENV (in social assessments and dissemination of best practice). (iii) Under the leadership of DEC, institute a research program on participation in different types of development work. (iv) Support Regional initiatives to strengthen their capacity to continue to play an active role in mainstreaming participation.

#### **New Actions**

- 73. The following actions will be additional to ongoing efforts:
  - (i) **Implement regional review processes that ensure that economic and sector work and lending operations include the identification of relevant stakeholders and specify whether and how**

- they would be involved in the Bank-supported activity. Specifically, Regions will put in place procedures whereby task managers, at an early stage of processing of ESW and projects, will (a) identify key stakeholders in the analytic work or projects, and (b) state what effort (if any) would be made to facilitate and engage the participation of each stakeholder. Key decisions on these issues would be reflected on the IMs (for ESW) and IEPSs (for investments) and in reviewing proposed tasks, the relevant manager will be responsible for confirming or modifying the proposals on stakeholder identification and involvement. Progress in implementing the agreed strategy will then be monitored by the division responsible during project preparation and execution.
- (ii) **Provide institutional arrangements to oversee and support the Bank's adoption of participation.** (i) Establish a high-level oversight group chaired by the VP, HRO, for a period of no more than two years, with senior management representation from selected RVPs, CVPs, Finance and CFS to oversee the mainstreaming of participatory approaches throughout the Bank's business, and to guide reviews of staffing, training, budgetary, and organizational change implications of this mainstreaming. The group would focus on ensuring that the search for participatory approaches is broadened and sustained. (ii) Support an inter-agency consultative learning group on participation which brings the Bank together with other institutions (donors, NGOs, research and training institutes) to promote inter-organizational collaboration in the areas of learning, capacity-building, and dissemination of research results.
- (iii) **Monitor Bank efforts to promote participation in Bank-supported activities.** Specifically, HRO will report on progress with beneficiary participation in the context of the Annual Poverty Progress Report. HRO will also prepare a progress report on participation at the end of two years' implementation of this action plan. The progress report will include results of efforts to undertake participatory projects; resources spent on participation, particularly in the Regions; experiences in cooperating with other agencies; experience with the Fund for Innovative Approaches in Human and Social Development; and experiences in the field.
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### **Participatory Development Learning Group Members**

Since 1991 a three-year Bank-wide learning process on participatory development has been underway, supported by the Swedish International Development Authority (SIDA). The process has been guided by a Participatory Development Learning Group (PDLG), composed of Bank staff with interest, experience and involvement in participatory approaches. The members of this group are listed below:

**JAMES W. ADAMS - Operations Policy Department**

**RAMGOPAL AGARWALA - World Bank Resident Mission, Beijing, China**

**DAN ARONSON - Social Policy and Resettlement Division, Environment Department**

**MICHAEL AZEFOR - Population and Human Resources Division, Occidental and Central Africa Department**

**MICHAEL BAMBERGER - Education and Social Policy Department**

**AJIT BANERJEE - Environment and Natural Resources Division, Asia Technical Department**

**LYNN BENNETT - Human Resources and Social Development Division, Asia Technical Department**

**BHUVAN BHATNAGAR - Social Policy and Resettlement Division, Environment Department**

**JOHN BLAXALL - UNDP/WB Water and Sanitation Program, Transport, Water and Urban Development Department**

**CORALIE BRYANT - Environment and Agriculture Division, Latin America and the Caribbean Country Department I**

**TIM CAMPBELL - Advisory Group, Latin America and the Caribbean Technical Department**

**MICHAEL CERNEA - Office of the Director, Environment Department**

**JOHN D. CLARK - Operations Policy Group, Operations Policy Department**

**CYNTHIA C. COOK - Office of the Director, Occidental and Central Africa Department**

**GLORIA DAVIS - Social Policy and Resettlement Division, Environment Department**

**SHELTON DAVIS - Social Policy and Resettlement Division, Environment Department**

**SURINDER P. S. DEOL - Training Division, Personnel Management Department**

**PAULA DONNELLY ROARK - Capacity Building and Implementation Support Division, Africa Technical Department**

**JIM EDGERTON - Development Management, Economic Development Institute**

**ALAN FOWLER - Operations Policy Group, Operations Policy Department**

**ROBERT GOODLAND - Office of the Director, Environment Department**

**MOHAN GOPAL - South Asia Division, Legal Department**

## **ANNEX I**

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**SURAJIT GOSWAMI - Agriculture and Rural Poverty Division, Latin America and the Caribbean Country Department IV**

**DANIEL GROSS - Environment and Agriculture Division, Latin America and the Caribbean Country Department I**

**HANS JURGEN GRUSS - Middle East and North Africa Division, Legal Department**

**JOHN HALL - Agriculture Operations Division, Sahelian Department**

**JESKO HENTSCHEL - Country Operations Division, Latin America and the Caribbean Country Department IV**

**VIJAY JAGANNATHAN - Water and Sanitation Division, Transport, Water and Urban Development Department**

**CHARLOTTE JONES-CARROLL - Office of the Chief Administrative Officer, East Asia and Pacific Regional Office**

**JAMES KEARNS - Consultant, Quality Network Coordinator**

**AYSE KUDAT - Environment Division, Europe and Central Asia/Middle East and North Africa Technical Department**

**DOMINIQUE LALLEMENT - Infrastructure Division, Europe and Central Asia Country Department IV**

**SARWAR LATEEF - 50th Anniversary Secretariat, Human Resources Development and Operations Policy**

**ALEXANDRE MARC - Human Resources Division, Europe and Central Asia Country Department IV**

**P. C. MOHAN - Office of the Director, Africa Technical Department**

**CAROLINE MOSER - Urban Development Division, Transport, Water and Urban Development Department**

**JOSETTE MURPHY - Agriculture and Human Development Division, Operations Evaluation Department**

**DEEPA NARAYAN - Social Policy and Resettlement Division, Environment Department**

**ANDREW NORTON - Human Resources Division, Africa Technical Department**

**NGOZI OKONJO-IWEALA - Agriculture Operations Division, Middle East and North Africa Country Department II**

**WILLIAM PARTRIDGE - Environment Division, Latin America and the Caribbean Technical Department**

**RICHARD REIDINGER - Agriculture Operations Division, East Asia and Pacific Country Department II**

**JENNIFER RIETBERGEN-McCRACKEN - Operations Policy Group, Operations Policy Department**



**MICHAL RUTKOWSKI - Human Resources Division, Europe and Central Asia Country Department IV**

**LAWRENCE SALMEN - Social Policy and Resettlement Division, Environment Department**

**STANLEY SCHEYER - Human Resources and Social Development Division, Asia Technical Department**

**ANDREA SILVERMAN - Agriculture Operations Division, Latin America and the Caribbean Country Department II**

**JERRY SILVERMAN - Environmentally Sustainable Development Division, Africa Technical Department**

**BACHIR SOUHLAL - Agriculture Operations Division, Middle East and North Africa Country Department II**

**DAVID STEEL - Population and Human Resources Operations Division, Middle East and North Africa Country Department II**

**ANDREW STEER - Office of the Director, Environment Department**

**ROGER SULLIVAN - Human Resources Division, Africa Technical Department**

**JAN WIJNAND - Operations Policy Group, Operations Policy Department**

**AUBREY WILLIAMS - Operations Policy Group, Operations Policy Department**

**WILLEM ZIIP - Agriculture Technology and Services Division, Agriculture and Natural Resources Department**

In addition, the following people contributed as former members of the learning group:

**DAVID BECKMANN**

**DAVID GREY**

**DOUGLAS KEARE**

**ABEL MATEUS**

**SAMUEL PAUL**

**NIMROD RAPHAELI**

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In addition to more than 150 Bank staff, the following people participated in the World Bank Workshops on Participatory Development, held in Washington, D.C. in February 1992 and May 1994.

FAZLE ABED - Bangladesh Rural Advancement Committee

SALEHUDDIN AHMED - Bangladesh Rural Advancement Committee

NANCY ALEXANDER - Bread for the World, USA

SHELDON ANNIS - Boston University, USA

MARCOS ARRUDA - Secretariat, NGO Working Group on the World Bank, Switzerland

RAVINDER AULAKH - Asia Bureau, Office of Development Resources, United States Agency for International Development

BEN BAGADION - National Irrigation Administration, Philippines

TONY BEBBINGTON - Overseas Development Institute, UK

DAVID BECKMANN - Bread for the World, USA

DERICK BRINKERHOFF - ABT Associates, USA

LEEN BOER - Poverty Coordinator, Technical Advice Unit, Directorate-General International Cooperation, Ministry of Foreign Affairs, The Netherlands

ELENA BORGHESE - Organization for Economic Cooperation and Development, France

BERNARDO BOTERO - CINEP, Colombia

KRISTINA BOHMAN - Social Policy Analyst, Planning Secretariat, SIDA, Sweden

DAVID BROWN - President, Institute for Development Research, USA

SHIRLEY BUZZARD - Heartlands International, USA

LEONARDA CAMACHO - Metro Manila Council of Women Balidatan Movement, Philippines

THOMAS CARROLL - George Washington University, USA

MARIA ELENA CASTRO M. - Comision Federal de Electricidad, Mexico

DR. MARTHA CHEN - Harvard Institute for International Development, USA

PROF. ROBERT CHAMBERS - Institute of Development Studies, University of Sussex, UK

CHEICKH MOUMADOU CISSOKHO - Federation des Organisations Non-Gouvernementales, Senegal

SEAMUS CLEARY - Caritas Internationalis, UK

MOHAMMED EL-BANNA - Ministry of Social Affairs, Egypt

ROSALIND EYBEN - Chief Social Development Advisor, ODA, UK

ALOYSIUS FERNANDEZ - Executive Director, MYRADA, India

JUAN FLAVIER - International Institute for Rural Reconstruction, Phillipines

PROF. JONATHON FOX - Political Science Department, Massachusetts Institute of Technology, USA

SANJOY GHOSE - URMUL Trust, India

GITA GOPAL - Consultant, USA

MONA GRIESER - Global Vision, USA

DR. RICHARD GRIESER - Global Vision, USA

CURT GRIMM - Africa Bureau, Office of Development Planning, United States Agency for International Development

ABIY HAILU - Christian Aid, UK

DOUG HELLINGER - The Development Gap, USA

RUMANA HUQUE - Department of Urban Studies and Planning, Massachusetts Institute of Technology, USA

KERSTEN JOHNSON - Institute for Economic Development and Policy, USA

ANDERS BALTZER JORGENSEN - Ministry of Foreign Affairs, Denmark

AMBASSADOR KABIR - Bangladesh Ambassador to the United States

PRATIMA KALE - Chief, Asia Section, UNICEF, NY

SHAKEEB KHAN - ActionAid, London

SHANDANA KHAN - Program Manager, Aga Khan Foundation, Pakistan

CONRAD KOTTAK - Department of Anthropology, The University of Michigan, USA

THOMAS KUBY - Senior Planning Officer, General Issues and Program Development, GTZ, Germany

LAURA KULLENBERG - UN Capital Development Fund, NY

DIANE LAVOY - Senior Policy Advisor for Participatory Development, United States Agency for International Development

GREGORY LAZAREV - FAO, Rome

CAROLYN LONG - InterAction, USA

VIJAY MAHAJAN - Independent Consultant, India

KAMAL MALHOTRA - Community Aid Abroad, Australia

RUTH MEINZEN-DICK - International Food Policy Research Institute, USA

CRISTIAN MUDUATE - ASINDES, Guatemala

JOE MUWONGE - World Vision, USA

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**MARGARET MWANGOLA - Executive Director, Kenya Water for Health Organization, Nairobi**

**WILLIAM NAGLE - Consultant, USA**

**ABDOU EL MAZIDE N'DIAYE - Reseau Africain pour le Developpement Integre, Senegal**

**NORMAN NICHOLSON - Office of Donor Coordination, United States Agency for International Development**

**IRENE NORLUND - North/South Coalition, Nordic Institute of Asian Studies, Denmark**

**PETER OAKLEY - Regional Director for Latin America and the Caribbean, Save the Children, Colombia**

**P.V. OBENG - Presidential Advisor on Governmental Affairs, Office of the President, Ghana**

**GUNILLA OLSSON - Senior Policy Analyst, SIDA, Sweden**

**J.M.A. OPIO-ODONGO - Human Resource Development Department, Uganda Cooperative Alliance**

**CAROLINE O'REILLY - Socio-Economist, Natural Resources Institute/ODA, UK**

**MARIA EMELIA PAZ - Consultant, USA**

**EDUARDO PEREZ - WASH Project, USA**

**ALICIA PFUND - Inter-American Development Bank**

**ANNA QUANDT - United States Agency for International Development**

**MARY RACELIS - United Nations Children's Fund, Nairobi**

**M.S. RAO - Manager, Social Dimensions Unit, Asian Development Bank, Philippines**

**JOHN ROUSE - Food and Agriculture Organization, Italy**

**ANDERS RUDQVIST - Department of Social Anthropology, Stockholm University**

**ALIOUNE SALL - Bureau for Policy and Programme Evaluation, United Nations Development Program, NY**

**NESTOR SANCHEZ - FUDECO, Dominican Republic**

**RON SAWYER - World Bank Resident Mission, Kenya**

**KRISTIN SCHAFER - Committee on Agricultural Sustainability for Developing Countries, USA**

**HARTMUT SCHNEIDER - Development Centre, OECD, France**

**PIERRE SPITZ - International Fund for Agricultural Development, Rome**

**EMANUEL STOICESCU - Ministry of Health, Romania**

**PROF. JUDITH TENDLER - Department of Urban Studies and Planning, MIT, USA**

**NORMAN UPHOFF - Cornell International Institute for Food, Agriculture, and Development, Cornell University, USA**

**ASIF ALI ZAIDI - Aga Khan Foundation, Pakistan**

### **Twenty-one Questions for the Learning Process on Participatory Development**

The PDLG commissioned a set of studies on particular Bank-assisted operations which were considered participatory, and compiled a list of twenty-one questions which the studies could usefully address. The first eleven questions focus on the World Bank's capacity to promote participation:

1. Do some of the projects selected for study as part of the learning process suggest ways to provide flexibility to allow for popular participation?
2. Is more-than-average elapsed time typically required for preparation and supervision of Bank-supported participatory operations?
3. What does it cost the Bank to support popular participation in Bank-supported operations?
4. What skill mix is required of Bank staff to appraise and supervise Bank-supported participatory projects?
5. Is a World Bank field presence important for participatory projects?
6. Do participatory projects require longer-than-average staff continuity?
7. Do participatory Bank-financed projects typically build upon small-scale efforts, perhaps initiated by other institutions?
8. How do Bank policies regarding procurement, disbursement, auditing, and local-cost financing affect popular participation in Bank-supported operations?
9. Have other agencies helped by pressing the Bank for a more participatory approach?
10. Has pressure from the people themselves contributed to the development of Bank-supported operations that allow them to participate in decisions?
11. Have attitudes of borrowing governments inhibited and/or enhanced what the Bank does to support popular participation?

The other ten questions of the learning process focus on participation in development activities in borrowing countries:

12. How can Bank-supported operations appropriately relate to and strengthen women's roles in development activities?
13. How can projects pay attention to the special needs of indigenous communities?
14. How can local elites be prevented from capturing more than their fair share in Bank-supported operations?

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15. Which institutional processes used to organize popular participation are most effective in different situations?
16. How can government extension services involve people more effectively?
17. How can governments encourage popular participation? What is the relationship between popular participation and government public policies towards NGOs?
18. What are the lessons to be learned from these projects and participatory projects undertaken by other agencies regarding the formation and maintenance of local organizations?
19. What are the various institutional processes for encouraging local consultation and information sharing?
20. Which funding mechanisms support popular participation?
21. What are the qualitative and quantitative factors to examine in evaluating the costs and benefits of popular participation?

**Selected Bank Documents on Participation**

The set of studies commissioned as part of the participatory development learning process, and financed by SIDA includes the following.

Advisory Committee on Procurement and Disbursement Issues in Bank-Financed Projects with Community Participation, "Study of Procurement and Disbursement Issues in Projects with Community Participation", AFTHR Technical Note No. 17, World Bank, Washington, D.C., April, 1994.

Ramgopal Agarwala, Pushpa N. Schwartz, Jean Ponchamni, "Sub-Saharan Africa: A Long-Term Perspective Study", World Bank, Washington, D.C., May 1994.

Misgana Amelga, "Inventory of Bank Projects with Significant Participatory Activities in the Africa Region", World Bank, Washington, D.C., 1992.

Sheldon Annis, Stanley Scheyer and Mario Taguiwalo, "The Potential Use of Information Technology for Promoting Stakeholder Participation: A Case Study of the Philippine Health Development Project", working draft, World Bank, Washington, D.C., May 1994.

Dan R. Aronson, "Participation in Country Economic and Sector Work", Participation Sourcebook Technical Paper, working draft, World Bank, Washington, D.C., April 1994.

Michael Azefor and Marilou Bradley, "Assessment of Beneficiary Participation in Health Program Management: Case Study of Benin and Guinea", green cover report, Population and Human Resource Division, Occidental and Central Africa Department, World Bank, Washington, D.C., May 1994.

Michael Bamberger, Mark Blackden, and Abeba Taddese, "Gender Issues in Participation", World Bank, Washington, D.C., May 1994.

Ajit Banerjee *et al.*, "Participatory Forestry", Participation Sourcebook Technical Paper, working draft, World Bank, Washington, D.C., April 1994.

Lynn Bennett and Michael Goldberg, "Bringing Participation to the Financial Sector: Improving Financial Performance by Involving Poor Clients", World Bank, Washington, D.C., May 1994.

Shirley Buzzard, "The Rural Water Supply and Sanitation Field Testing Project, Nepal: A Case Study of Participatory Monitoring and Evaluation", World Bank, Washington, D.C., forthcoming.

Frank A. Campbell, "Development Support Communication and Participatory Development", World Bank, Washington, D.C., April 1994.

Thomas Carroll, "Ecuador Participation Study (PRONADER Project): Some Preliminary Findings", World Bank, Washington, D.C., May 1994.

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- John Clark, "The State, Popular Participation, and the Voluntary Sector", World Bank, Washington, D.C., April 1994.
- Nat J. Colletta and Gillian Perkins, "Participation in Education and Training", Participation Sourcebook Technical Paper, working draft, World Bank, Washington, D.C., April 1994.
- Vijayalakshmi Das, "Uttar Pradesh Sodic Lands Reclamation Project: A Study on Group Savings and Credit Management", World Bank, Washington, D.C., 1993.
- Jonathan Fox and Josefina Aranda, "Community Participation in Mexico's Municipal Funds Program: The Case of Oaxaca", working draft, World Bank, Washington, D.C., December 1993.
- Philip R. Gerson, "Popular Participation in Economic Theory and Practice", HRO Working Papers, No. 18, World Bank, Washington, D.C., December 1993.
- J. L. Gonzalez III and J. B. Mayfield, "Community Participation in Development Projects: An Assessment of Sectoral and Regional Trends and a Preliminary Effort at Conceptualizing The Process of Community Participation using an Action Research Format", final draft, World Bank, Washington, D.C., May 1994.
- Gita Gopal, "Legal Issues in Designing and Implementing Bank-Financed Projects with Community Participation", World Bank, Washington, D.C., May 1994.
- David Gow and John Frankenhoff, "Local Government and Participation", Participation Sourcebook Technical Paper, working draft, World Bank, Washington, D.C., April 1994.
- Jesko Hentschel, "Does Participation Cost the World Bank More? Emerging Evidence", HRO Working Papers, No. 31, World Bank, Washington, D.C., June 1994.
- Björn Hettne, "Ethnicity as a Development Issue", World Bank, Washington, D.C., April 1994.
- Malcolm Holmes and Anirudh Krishna, "Public Sector Management and Participation Issues for Discussion at Workshop on Participatory Development May 17-20, 1994", preliminary draft, World Bank, Washington, D.C., May 1994.
- J. Kearns and J. Edgerton, "Participatory Project Planning (PPP)" Participation Sourcebook draft 2, World Bank, Washington, D.C., May 1994.
- Conrad Kottak, Alberto Costa, Rosane Prado, "A Study of Popular Participation in Brazil: Northeast Rural Development Program (NRDP-PAPP)", World Bank, Washington, D.C., April 1994.
- Robert Latowsky et al., "Study of the PVO Sector in Egypt", World Bank, Washington, D.C., forthcoming.
- LP3ES, "Assessment of Popular Participation of KIP-JUDP III", World Bank, Washington, D.C., forthcoming. (Water and sanitation project, Indonesia).



- Alexandre Marc and Gita Gopal, "Procurement and Disbursement", Participation Sourcebook Technical Paper, working draft, World Bank, Washington, D.C., April 1994.
- Della E. McMillan *et al.*, "Evolving Participation: Institutional Issues in Participatory Development. Case Study: Burkina Faso", World Bank, Washington, D.C., April 1994.
- Ruth Meinzen-Dick, Andrew Manzardo, and Richard Reidinger, "Participation in Irrigation" Participation Sourcebook Technical Paper, working draft, World Bank, Washington, D.C., March 1994.
- Maria Clara Mejia *et al.*, "Popular Participation in Zimapan Hydroelectric Project, Mexico", World Bank, Washington, D.C., forthcoming.
- Marcus Moench, "Farmers' Participation in Water Management in Gujarat", World Bank, Washington, D.C., 1993.
- Marcus Moench, "Farmers' Participation in Water Management in Maharashtra", World Bank, Washington, D.C., 1993.
- Deepa Narayan, "The Contribution of People's Participation: 121 Rural Water Supply Projects", World Bank, Washington, D.C., April 1994.
- NIACONSULT, "Farmer's Participation in National Irrigation Systems in The Philippines: Lessons Learned", World Bank, Washington, D.C., December 1993.
- NIACONSULT, "The Role of World Bank in NIA's Participatory Programs", World Bank, Washington, D.C., December 1993.
- Andrew Norton and Thomas Stephens, "Participation in Poverty Assessments", Participation Sourcebook Technical Paper, World Bank, Washington, D.C., April 1994.
- P.V. Obeng, "Stakeholder Participation in the Design of a Structural Adjustment Program: Ghana Case Study", World Bank, Washington, D.C., May 1994.
- Samuel Paul, "Strengthening Public Accountability Through Participation", World Bank, Washington, D.C., April 1994.
- Anders Rudqvist, "Local Level Development Workers as an Institutional Mechanism for Participation", World Bank, Washington, D.C., April 1994.
- Miguel Schloss, "Reconciling Interests and Resources for Petroleum Development. Transparencies", World Bank, Washington, D.C., May 1994
- Mary E. Schmidt, "Participation and the World Bank: Lessons from 48 Case Studies", World Bank, Washington, D.C., January 1994.

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Mary Schmidt and Alexandre Marc, "Participation and Social Funds", Participation Sourcebook Technical Paper, working draft, World Bank, Washington, D.C., March 1994.

Karen H. Smith, "Community Management in Rural Water Supply: Some Lessons from Indonesia", World Bank, Washington, D.C., January 1994.

Lars T. Soeftestad, "Indigenous Communities", World Bank, Washington, D.C., May 1994.

Aud Talle, "Indigenous Organization", World Bank, Washington, D.C., April 1994.

Gabrielle Watson and N. Vijay Jagannathan, "Participation in Water and Sanitation", Participation Sourcebook Technical Paper, working draft, World Bank, Washington, D.C., May 1994.

Other key Bank documents on participation include, in chronological order:

*Readings in Community Participation*, published in 1987 by EDI, as output from an EDI workshop on the role of community participation in development planning and project management. Most of the papers were written by academics and development practitioners from outside the Bank.

*Listen to the People*, published in 1987 and written by Larry Salmen. This book documents the use of Beneficiary Assessment, a consultative methodology for involving beneficiaries in the design and evaluation of Bank-financed projects. This methodology has since been widely used in lending and non-lending operations, including in recent participatory poverty assessment work.

*Community Participation in Development Projects*, published in 1987 as a Discussion Paper, written by Samuel Paul. This paper set out a framework for participation, at different levels of intensity and for different objectives, which has been a reference point for much of the subsequent debate within the Bank on participatory approaches.

*Community Participation in World Bank Supported Projects*, published in 1990 as a Discussion Paper, written by William Nagle and Sanjoy Ghose. This paper reviewed a number of participatory projects and drew lessons for the Bank from the experiences documented.

*The Building Blocks of Participation: Testing Bottom-Up Planning*, published as a Discussion Paper in 1992, written by Michael Cernea. This paper addresses the question: "how can a capacity for mobilizing community participation be built into the project's design and staffing?" by examining the experience of a decentralization project in Mexico, and a preceding integrated rural development program.

*Participatory Development: Myths and Dilemmas*, published as a Policy Research Working Paper in 1992, written by Robert Picciotto. This paper addresses five prevalent myths about participation, and notes common shortcomings in the implementation of participatory approaches, including an overemphasis on macro-economics and neglect of institutional economic issues. Alternative and rigorous economic approaches to participation are proposed and implications for organizational design are highlighted.

*Participatory Development and the World Bank: Potential Directions for Change*, published as a Discussion Paper in 1992, edited by Bhuvan Bhatnagar and Aubrey Williams. This paper represents the proceedings from the February 1992 workshop of the Bank-wide Participatory Development Learning Process, and includes reports on the experience of the Bank and other agencies in supporting participatory development.

Finally, various documents have been produced by the Operations Evaluation Department which highlight the need for participation, in addition to those listed in the main text. These studies include:

*Rural Development – World Bank Experience*, 1988.

*New Lessons from Old Projects: The Workings of Rural Development in Northeast Brazil*, 1993.

*OED Lessons and Practices No. 3: Rural Development*, 1993.



**LIST OF BANK POLICIES WHICH USE PARTICIPATORY LANGUAGE\***

Type of Doc Date	Title	Requirement Relating to Community Participation
OD 4.00A 10/31/89 OD 4.00B & OD 4.01 & OD 4.02         BP 17.50 09/30/93	ENVIRONMENTAL ASSESSMENT (EA)  [A full EA is required for projects classified as Category A. In Category B projects, an environmental analysis is required]  OD 4.02 requires an environmental plan (EAP)   DISCLOSURE OF OPERATIONAL INFORMATION	<ul style="list-style-type: none"> <li>o These ODs state that the "Bank expects the borrower to take the view of affected groups and local NGOs fully into account in project design and implementation, and in particular in the preparation of environmental assessments". The EAP must take into account views of all stakeholders obtained through means that induce broad local participation.</li> <li>o In order for meaningful consultations, the borrower must provide stakeholders with relevant information prior to consultations in a timely and meaningful manner. Such information should normally include (a) for the initial consultation, a summary of the project description, objectives and potential adverse effects of the proposed project; and (b) a summary of the conclusions of the EA. In addition the Government should make the EA report available at some public place accessible to affected groups and local NGOs for their review and comment. Should a borrower be reluctant to publicize the required documents, it will be necessary to consider the specific circumstances, assess whether the local consultation has been effective, and what alternative means have been used to convey to the stakeholders the results of the consultation process. IDA's management would then consult with the Executive Directors as to how to proceed under these circumstances.</li> </ul>
OD 4.15 12/91	POVERTY REDUCTION	<ul style="list-style-type: none"> <li>o The OD states that effective implementation of poverty reduction projects requires active involvement of beneficiaries to be built into the early stages of a project.</li> </ul>
OD 4.20 09/17/91	INDIGENOUS PEOPLES	<ul style="list-style-type: none"> <li>o "Mechanisms should be devised and maintained for participation by indigenous peoples in decision making throughout project planning, implementation and evaluation."</li> <li>o "Appraisal teams should be satisfied that indigenous people have participated meaningfully in the development of the plan."</li> </ul>
OP 4.20 4/94	GENDER DIMENSIONS OF DEVELOPMENT	<ul style="list-style-type: none"> <li>o The Bank aims to reduce gender disparities and enhance women's participation in the economic development of their countries by integrating gender considerations in its country assistance program.</li> </ul>
OD 4.30 -06/01/90	INVOLUNTARY RESETTLEMENT	<ul style="list-style-type: none"> <li>o Participation of both resettlers as well as host communities should be encouraged in planning and implementing resettlement.</li> </ul>

\*G.Gopal, "Legal Issues In Designing Bank-Financed Projects with Community Participation", Annex I.

## ANNEX V

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Enhancing Skills Capacity. The recruitment of and staff who have previous experience with participatory development will not have an additional cost unless the positions filled are additional positions. In many cases, the reality will be a shifting skills mix as vacant positions are filled with the new skills/experience (at no added cost). The added short-term consultants for lending, supervision and ESW are already accounted for in the additional costs noted above.

Nevertheless, despite these assumptions, it is reasonable to expect that new staff positions will be required in FY96, to replace consultants and to give the Bank a stronger permanent social science capacity in support of task managers. If a reasonable goal is to place one social scientist in each CD, and if we take into account current regional recruitment and/or redeployment plans, about 13 new social science staff positions would be required in FY96 (incremental cost: \$3 million).

Additional incremental staff foreseen are local participation specialists, NGO experts, and social analysis staff hired by field offices. The transfer of 10 on-board HQ staff to overseas assignments would entail an incremental cost of \$1 million (including local secretarial support). The added local technical staff roughly estimated for FY96 are 20: one for each of 20 field offices; one or two each for larger field offices, at a cost of \$1 million. Estimated total cost: \$5 million.

Research. DEC is already undertaking research with participatory elements, and would look to collaborate with regions to expand this, but projects no additional costs. Costs could be absorbed within current budgets or, more likely, will be funded in the form of cross-support from the regions through the other cost increases described above. DEC expects that work on participation will be on request from the regions.

Management and Monitoring. Task managers efforts to identify stakeholders for lending and ESW will be funded from the increments noted above. Institutional monitoring of the participation mainstreaming efforts and management of the Fund for Innovative Approaches in Human and Social Development would require one additional HL staffyear (in HRO). Maintaining and updating the Sourcebook on participatory practices is expected to require a half-staffyear. Cost: \$0.2 million.

July 14, 1994

Armeane Choksi, Vice President  
Human Resources and Operations Policy  
The World Bank  
1818 H Street, NW  
Washington, DC 20433

Re: Transmittal of Addendum to the Learning Group's Report

Dear Mr. Choksi:

Attached hereto please find the Addendum for your consideration.

We appreciate the opportunity to present our views to you, other senior managers and the Board. (Please assure us that the Addendum will, in fact, go to the Board as we were led to believe.) Your openness with us may be a good omen for the participation initiative of the Bank. We commend it.

The Addendum praises the Report. At the same time, we feel that the Report is insufficiently clear or resolute with respect to the following four points discussed in "The Main Messages" of our Addendum. Specifically, these messages urge the Bank to:

- A. Put heavier emphasis on participation by poor people who are often bypassed by development,
- B. Rethink the project cycle,
- C. Take a "transformational" approach to participation by engaging and empowering communities to set development priorities. This approach contrasts to the "instrumental" approach through which the donor basically engages in social marketing of its operational plans; and
- D. Acknowledge that the Bank, itself, is a stakeholder.

From our perspective, the extent to which the Bank addresses the above points will significantly determine the success of the Bank's participation initiatives.

The Report has undergone continuous revision since the May Workshop. It has been difficult to track insertions and deletions. For instance, we have just realized that the portions of the Report which describes the Bank as a stakeholder, itself, has been deleted. To our minds, this is a highly significant and unfortunate deletion. The Bank is not just any stakeholder, but a stakeholder with money and fiduciary responsibilities and, consequently, a sense of ownership relative to various aspects of lending operations. If we become aware of other major changes in the Report, we may need to send you additional correspondence.

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The signatories to this Addendum would like to work with you to understand and assess the Bank's process of operationalizing the Report's recommendations. At your convenience, a group of us would appreciate meeting with you to begin the process.

Some official participants in the workshop have expressed their support for the Addendum, but feel that it is inappropriate to endorse it formally. Also, because of the schedules of various (especially overseas) participants in the World Bank Participation Workshop and because of our difficulty keeping up with the Bank's revisions of the Report, we have been unable to finish collecting endorsements of the Report.

In late July, we will send the remainder of the endorsements from participants in the May Workshop. Prior to the Board meeting, we will send you endorsements from a range of groups -- beyond those who participated in the workshop.

Thank you for your leadership in this area. If further elaboration of any issues raised in this Addendum would be helpful to you, senior management, or the Board, please so inform Nancy Alexander, Bread for the World Institute.

Nancy Alexander, Bread for the World Institute\*  
Marcos Arruda, NGO Working Group on the World Bank  
David Beckmann, Bread for the World\*  
Robert Blake, Committee on Agricultural Sustainability for  
Developing Countries  
Bernardo Botero, Centro de Investigacion y Educacion Popular\*  
(CINEP), Colombia  
Derick Brinkerhoff, ABT Associates, Bethesda  
L. Dave Brown, IDR  
Shirley Buzzard, Heartlands International, Washington, D.C.  
Robert Chambers, Institute of Development Studies, U. of Sussex  
Aloysius Fernandez, MYRADA  
Jonathan Fox, Massachusetts Institute of Technology/Institute for  
Development Research  
Mona and Richard Grieser, Global Vision\*, Maryland  
Abiy Hailu, Christian Aid, U.K.  
Shakeeb Khan, ActionAid, London  
Shandana Khan, Aga Khan Foundation, Pakistan  
Conrad Kottak, Dept. of Anthropology, University of Michigan  
Carolyn Long, InterAction, Washington, D.C.  
Kamal Malhotra, Community Aid Abroad\*, Australia  
Joe Muwonge, World Vision  
Margaret Mwangola, Kenya Water for Health Organization (KWAHO)  
William Nagle, Democracy and Governance Program, USAID.  
Peter Oakley, Save the Children, Columbia  
Caroline O'Reilly, Social Sciences Group, ODA Natural Resources  
Institute, U.K.

\* Institutional, as well as personal, endorsement



D. Jane Pratt, Woodlands Mountain Institute  
Nestor Sanchez, Fundacion para el Desarrollo Comunitario, Inc.  
(FUNDECO)  
Hartmut Schneider, Development Centre, OECD



**Addendum**  
to the Report of the  
Participatory Development Learning Group

**I. Introduction**

We commend the excellent work of the Learning Group on Participatory Development (LGPD). We appreciate the opportunity to contribute our views in writing for the consideration of management and the Board.

This is a critical moment -- the culmination of a long process of listening, learning, and building understanding and consensus with respect to the meaning and practice of participatory development by the World Bank. We agree with Bank Managing Director Sven Sandstrom's assertion at our Workshop that "participation is the right WAY OF DOING BUSINESS -- and it benefits ALL development activity." (Emphasis retained.)

As Gunilla Olsson of the Swedish International Development Authority (SIDA) stated, "The Draft Report of the Learning Group describes - what it calls the growing undercurrent of interest [in the Bank] in the use of participatory approaches. Now seems to me, that it can be established, that this undercurrent has the potential to develop into the most fantastic wave. One which will carry you high and eventually land you on a new shore." This will not be easy. Many believe that it will not be possible given the size, structure, priorities, and procedures of the Bank.

We encourage management and the Board to commit to operationalizing the recommendations of the Participation Learning Group. This addendum is intended to strengthen the recommendations and improve the prospects for successful implementation.

By operationalizing the recommendations ("walking the talk") of the Learning Group (as expanded, elaborated and underscored by this Addendum), the Bank would send a clear signal to stakeholders, especially poor people and governments, that a participatory approach to Bank-supported development activities will be the norm (as called for by Bank President Lewis Preston in April 1993) and not the exception.

Building on the insight and humility implied in the term "Learning Group," the Bank could become a "Learning Institution."

## II. The main messages of this Addendum:

A. The emphasis should be on participation by poor people. Sometime during its three-year life, the "Learning Group on Popular Participation" was renamed the "Learning Group on Participatory Development." We affirm the Learning Group's original goal of learning about popular participation, which was defined as participation "especially by disadvantaged groups," who are often bypassed by development. We ask that the Bank focus more resolutely on expanding the Bank's capacity and commitment to reaching and engaging the most important stakeholders -- poor people -- in decisions that affect them.

The Bank is encouraging governments to "own" their Bank-supported operations. We encourage the Bank to work with governments to employ "empowering mechanisms" (such as those described on page 9) which would ensure that the primary stakeholders -- poor people -- have primary ownership.

Because poor people have less clout than powerful already-vested interests, development institutions such as the Bank should work with governments to establish a "preferential option for the poor." Exercising this option entails providing special incentives, facilities and access to resources to poor people in order to overcome the gap of power, knowledge and ownership of the means to develop. Empowering poor people in such ways will help ensure that they have: (1) the capacity to effectively utilize the resources and technological inputs available to them, and (2) realistic mechanisms to promote their own development. Economic development that builds on the aspirations of poor and marginalized people shifts control over resources and decision-making toward them. Good, accountable systems of governance and good economics encourage broad-based development and decentralized control.

B. The need to rethink the project cycle. Mainstreaming participation will require evolution and change in the project cycle. The Report does not have much to say about this subject. Evolution of the project cycle should allow donors and stakeholders to perform "needs assessments" and, on the basis of the findings, to test and scale up activities which build the capacities of organizations of poor people. Within the next two years, the Bank should work with governments and non-governmental organizations to enable such heuristic, bottom up processes.

C. Participatory processes should not be used to market Bank or Government goals; they should be used to elicit community goal-setting and leadership. The Report defines participatory development as a process through which stakeholders "influence and share control over development initiatives, and the decisions and resources which affect them." We recommend that the word "initiate" be added to this definition. This is important

because, in order to promote environmentally sustainable and equitable development, participation should focus on engaging and empowering communities to decide on their own priorities. This is a different focus from getting local people to buy into the donor's and government's project for the purpose of improving economic sustainability. The former focus for participation is transformative; the latter is instrumental.

We affirm the sharp distinction (made in Box 2, Page 9 of the Learning Group's Report) between largely instrumental mechanisms which are "necessary preconditions for participation" (information-sharing, consultation, and joint assessment) and potentially transformational mechanisms (shared decision-making, collaboration, and empowerment). In instrumental approaches to participation, the Bank is basically engaged in social marketing of its operational plans. It is the locus of control. In transformational approaches, the primary stakeholders have significant decision-making power. At the workshop, Robert Chambers quoted a statement by a Bank official cited in the Sourcebook, "Through participation we lost 'control' of the project and in doing so gained ownership and sustainability, precious things in our business." We encourage the Bank to move boldly to employ transformational mechanisms. We believe that success in this area will correlate closely to project success.

D. The Bank is a stakeholder. The text describing the Bank's role as a stakeholder has been deleted from the final draft. This is a significant and worrisome deletion. Genuine, unambiguous invitations to take ownership of lending operations can be extended to other stakeholders only if the Bank is clear about its perceived stakeholder responsibilities with respect to each lending operation.

### III. Responses to the Recommendations

#### BANK RECOMMENDATION #1: ENABLING ENVIRONMENT FOR PARTICIPATION

Support a more enabling environment and institutional reforms for participatory development within client countries, by evaluating obstacles to participation in borrowing countries (within the country assistance strategy and through economic and sector work) and working with governments to remove the major constraints by fostering collaboration between government and primary and secondary stakeholders; and strengthening the capacities and commitment of central and local government to adopt participatory development approaches through training programs, policy dialogue, and public sector management activities.

#### RESPONSE TO BANK

1.1. Country-level workshops on participation. Fostering participation is not usually a high priority of governments.

Governments will need to be convinced of the reasons it will be a high priority for the Bank. In addition to strengthening the capacities and commitment of central and local government in the ways outlined in this recommendation, we recommend that independent facilitators be engaged to conduct workshops on participation in borrowing countries. Such workshops, which would involve the Bank, governments, organizations of civil society, and the private sector, should explore how development effectiveness is enhanced through good governance and participatory means. Such workshops should inform the Bank's country strategies and produce concrete programs of action to enhance broad-based participation, especially by poor people. The upcoming regional hunger workshop in Mali might provide a model for this process.

1.2. Country Incentives. Country portfolio performance indices and aid allocation formulae should significantly reward those governments which support an enabling environment for participatory development.

#### BANK RECOMMENDATION #2: PARTICIPATION IN ECONOMIC AND SECTOR WORK

Establish procedures and allocate resources for sharing economic and sector work (ESW) with a wide range of stakeholders. In some countries the implementation of many types of ESW can be passed to, or shared with local entities, while elsewhere the Bank will still need to have primary responsibility until borrower capacity is strengthened. In any case, the sector work itself, as well as the review process can usefully be opened up, as has been evidenced in participatory poverty assessments, some national environmental action plans and other ESW, to include primary and secondary stakeholders with both positive and negative opinions on the positions supported by the Bank. The Bank would still retain the right to decide on policy recommendations and its priority areas of assistance.

#### RESPONSE TO BANK

2.1. Participation in policy formation. Mr. Sandstrom stated that:

"...there is an increasing trend toward participation in formulating country assistance strategies and in economic and sector work. That is, we are moving beyond the project level and applying participatory approaches at the policy level, where they can have even broader impact."

Yet the Learning Group examined only a few examples of participation in policy reforms. We encourage the Learning Group to learn about cases in which poor people have expressed views about adjustment prescriptions. We ask that indicators be identified to record and measure the extent to which adjustment programs are faithful to the prescriptions shaped by primary

stakeholders engaged in economic and sector work (ESW).

2.2. Progress in this area can make a powerful contribution to development. As the Bank has repeatedly stressed, policy reforms have far more sweeping effects than projects. Too often, poor people bear the burdens of sectoral and structural adjustment programs because they have not participated in shaping them.

**BANK RECOMMENDATION #3:  
DOCUMENTATION BY BANK OF PROJECT PARTICIPATION PLANS**

Encourage review processes that ensure that country strategy preparation, analytical work and lending operations include the identification of relevant stakeholders and specify whether and how they would be involved in the Bank-supported activity. Specifically, task managers would be asked at an early stage of processing of ESW and projects to (a) identify key stakeholders in the analytic work or project work, and (b) state what effort (if any) would be made to facilitate and engage the participation of each stakeholder. In reviewing proposed tasks, the manager responsible would confirm or (when appropriate) modify the proposals on stakeholder identification and involvement. Progress in implementing the agreed strategy would then be monitored by the division responsible during project preparation and execution.

**RESPONSE TO BANK**

3.1. Project Screening Procedures. Unfortunately, this KEY recommendation of the Report is insufficiently clear. We support the recommendation in the version of the Report reviewed by the workshop participants that participation plans be required at the preparation stage of projects. Before participation can become a "way of doing business," significant adjustments will be called for. We call upon the Bank to provide the leadership and resources to enable managers to make the adjustment and facilitate preparation of such participation plans.

Short of reaffirming the earlier recommendation, we urge that the Bank be clearer about where and when it will document the level and type participation it is seeking in lending operations. In particular, we have three questions:

(1) The Initiating Memoranda for economic and sector work and the Executive Project Summary are brief forward-looking documents. Can they be expanded to detail the quality of stakeholder involvement in ESW and project preparation?

(2) Can the Project Information Document contain all available information about the nature and quality of participation during project preparation?

(3) Can the Staff Appraisal Reports be modified to reflect not only on the intent of the proposed lending operation, but also upon the groundwork that has been laid in the project preparation process by stakeholders?

Other issues are as follow:

(4) As an earlier version of the Report states, the Bank is not an impartial body. It is not just any stakeholder, but a stakeholder with money. In the IEPS or IM, the Bank should identify how it interprets its fiduciary responsibilities relative to the lending operations. This will help distinguish Bank "turf" from the "turf" of other stakeholders and, thus, clarify who has ownership of what aspects of lending operations.

(5) Methodologies for identifying primary and secondary stakeholders need to be developed, tested and refined. Mistakes or oversights in proper identification can produce conflicts, delays, and uncertainties.

(6) The IEPS or IM should also include a description of the stake or interest of the primary stakeholders and other stakeholders in the lending operation, actual or potential conflicts of interest between stakeholders, and a rationale for the proposed level and type of participatory activity (per Box 2);

(7) the system of classifying projects for review, which is presented in para. 59, should be revamped in ways that would provide a more useful basis for review and analysis.

3.2. The need to avoid "ghettoizing" participation. In order to mainstream participation, compliance with sound participatory procedures will need to be sought as steadfastly as compliance with procurement and disbursement procedures. Such procedures need to be instituted as much in the newly independent states or Asia as in Africa, as much in "hard" sector operations as in "soft" sector operations, and as much in identification and design stages of projects as in implementation stages. Ghettoizing participation (in particular sectors, regions, or stages of project cycles) is not mainstreaming participation.

3.3. Impartial facilitators. As noted in paragraph 3.1(A), the Bank is a stakeholder, itself. Thus, there are limits to the degree and kind of participation it can engender. We recommend that, on an experimental basis, the Bank work with stakeholders to identify impartial facilitators to guide a stream of participatory work in parallel to the Bank's own work. Dialogue between such facilitators and Bank staff could be an important source of learning.



**RECOMMENDATION #4: FOSTERING A CULTURE OF PARTICIPATION**

Strengthen the Bank's capacity to support participation, and encourage a culture of participation among Bank staff. This will require:

(i) providing participation-related experiential learning opportunities and training programs for Bank staff. Appoint a manager in PMD to set up and oversee a program of experiential learning and training, and to work in collaboration with advisors identified in each Region, as well as with HRO, EDI and ENV. Components of this program should include (a) conducting joint training (i.e. sharing of experience) in participation for Bank staff, government and nongovernment representatives at regional and country level; (b) developing case studies and testimonials by Bank staff of how they learnt about, and implemented participatory approaches, and if they changed their views on participation in the process; and (c) as recommended in the Bank's proposed NGO strategy, establishing a three-month grassroots sabbatical open to all Bank operational staff to work with and learn from community development NGOs using participatory approaches in borrowing countries; and (d) scheduling annual two-week "exposure and dialogue" visits by senior managers to field-based organizations, drawing on the positive experiences of a similar program operated by GTZ. These different learning opportunities should aim to familiarize Bank staff with participatory approaches (including the sharing of power they imply and the possible risks they entail) and make them more comfortable about using such approaches themselves and/or commissioning others to do so.

(ii) adjusting the skill mix in the Bank by redressing the lack of expertise in sociology, development anthropology, planned organizational change and group-based or participatory communication, training and development. Recruitment should aim to bring in people with operational and facilitation experience in participation (who may or may not come from particular sectoral backgrounds or disciplines), people from different institutional backgrounds (including NGOs) -- not only people with formal social science qualifications. Expertise in these skills should be available to every Country Department, located in DOCs, and appropriate SODs, with additional resources in the CVPUs and regional TDs to backstop and advise task managers. Resident Missions should be involved in identifying in-country individuals and institutions experienced in participatory approaches, and in linking up task managers with these contacts. In countries where the Bank's portfolio depends significantly on participatory approaches, Resident Missions should be encouraged to recruit a mix of local and headquarters staff skilled in participatory methods.

4.1. Resident Missions. The last sentence of this recommendation specifies that Resident Missions should be encouraged to recruit staff skilled in participatory methods "where the Bank's portfolio depends significantly on participatory approaches."

We would appreciate the Bank identifying for us those countries in which its portfolio depends on participatory approaches. It is our view that the norm should be heavily reliance on participatory approaches. Thus, we would expect most resident missions to assign or recruit senior staff person(s) to liaison with governments and NGOs and other organizations of civil society on participatory undertakings.

Decentralizing of the Bank from headquarters to resident missions should enable the Bank to develop better working relationships and arrangements with such organizations. We believe this trend is important, and that Resident Missions should be expanded to additional countries where Bank projects are underway. Where possible, staff responsible for participatory undertakings should be stationed outside the capitol city.

4.2. Experiential, participatory staff training. We welcome the inclusion in this final Report of a recommendation to provide staff experiential learning opportunities and training programs. Such training and reorientation are crucial elements of any strategy to introduce changes in the Bank's culture and work practices. So far, virtually nothing has been done to implement the recommendations of the May 1993 workshop on experiential training.

4.3. Case studies should be prepared on lending operations in each sector and for each type of participatory approach described on page 9.

4.4. Grassroots Sabbaticals. We endorse the recommendation to institute a "three-month grassroots sabbatical open to all Bank operational staff to work with and learn from community development NGOs using participatory approaches in borrowing countries." In real and symbolic terms, such a program could raise awareness of the innovation, knowledge and leadership that can grow from the grassroots up.

4.5. Skill-mix, values mix and recruitment. We endorse the recommendation to redress "the lack of expertise in sociology, development anthropology, planned organizational change and group-based or participatory communication, training and development. A record of new hires of individuals with skills in these areas should be kept. In recruiting for many positions, the Bank should give significant weight to personal commitment to participation and to participatory values and to grassroots field experience.

#### RECOMMENDATION #5: INCENTIVES FOR PARTICIPATION

Maintain innovation, learning, and mainstreaming of participation. (1) Through appropriate use of the Fund for Innovative Approaches in Human and Social Development -- and further expansion of funding for such purposes -- maintain incentives for staff to test new areas and approaches to

participation. (ii) Establish a learning process on the organizational change implications of mainstreaming participation within the Bank, drawing amongst others on experiences in the private sector and other development agencies, while continuing a modified version of the present Bank-wide learning process on participation (see recommendation below). (iii) Support the mainstreaming of proven best practices of participation by (a) simplifying and clarifying internal procedures (through BIAS and processes already underway in EA1 and the Africa Region's GRIF program; and by amending procurement guidelines and OD 11.00 to make community-based procurement easier to apply) (b) providing incentives for quality in lending by requiring project monitoring to address the quality of the process as well as quantitative targets, and by adapting the project cycle to permit more flexibility and time in design and implementation; (c) giving greater recognition and incentive to Bank staff who undertake participatory initiatives, by ensuring that Performance Review Records (PRRs) explicitly take account of such efforts.

#### RESPONSE TO BANK

5.1. Financial Resources. We welcomed Mr. Sandstrom's statement that the majority of resources for the support of participatory processes will come from the core budget of the Bank. We ask that the extent to which core budget resources are reoriented to support participation be closely monitored. In a zero budget growth environment, commitment to reforms requires reordering priorities.

5.2. The new \$2 million Fund for Innovative Approaches to Human and Social Development has potential to encourage experimentation. The Fund should be significantly enlarged, monitored and replenished, as needed. We recommend that, especially for small sums, the Fund could be accessed quickly without matching requirements. A significant portion of the Fund should support participatory economic and sector work.

5.3. Additional learning. We are pleased that the Learning Group, in some form, will continue the learning process. Additional learning is needed in various areas, such as: public sector management, governance, policy reform, and best practice of participation for every sector. Learning should continue not only with respect to Bank operations, but also with respect to the operations of outsiders -- governmental and non-governmental -- as well as private sector. The most important learning will relate to how to build the commitment and capacity to operationalize the Report's recommendations.

5.4. Organizational change. We affirm the need for a "parallel [to the Learning Group] learning process on the organizational change implications of mainstreaming participation within the Bank, drawing amongst others on experiences in the private sector and other development agencies." We suggest that, after consultation with a variety of stakeholders, the Bank appoint a

small independent group for this purpose. Among other things, the group should analyze how various aspects of Bank culture (values, incentives, rewards, modes of operating, internal communications, criteria for recruitment and promotion) currently act as incentives or disincentives to participation and recommend how the culture can encourage participation.

5.5. Project Cycles and Monitoring. It is our sense that, to operationalize recommendation 5(iii)(b), the Bank will, over time, need to change many of its procedures. We encourage the Bank to work with outsiders in the process of setting out and accomplishing goals for revamping the project cycle so that the cycle is the servant, not the master, of the development process.

#### RECOMMENDATION #6: LEADERSHIP AND CAPACITY BUILDING IN THE BANK

Provide institutional arrangements to oversee and support the Bank's adoption of participation. (i) Establish a high level advisory committee, headed by a Managing Director, with senior management representation from selected regional and central vice presidencies to oversee the mainstreaming of participatory approaches throughout the Bank's business, and to guide reviews of staffing, training, budgetary, and organizational change implications of this mainstreaming. (ii) Reaffirm the roles and appropriately resource Human Resources and Environmental Vice Presidencies and a modified Bank-wide learning group on participation to continue providing leadership in identifying and promoting new participatory techniques, while actively engaging other divisions and departments in areas of their distinctive competence. For example, in collaboration with DEC, institute a research program on the cost-effectiveness of participation in different types of development work; and, with PMD and EDI determine how to expand staff training in participatory development. (iii) Strengthen capacity within the Regions to enable them to continue to play an active role in mainstreaming participation, by making additional expertise available to them (as in recommendation 4), together with decentralized funds for participatory initiatives. Support an inter-agency consultative learning group on participation which brings the Bank together with other institutions (donors, NGOs, research and training institutes) to promote inter-organizational collaboration in the areas of learning, capacity-building, and dissemination of research results."

6.1. High level advisory committee. We affirm the need for such a committee.

6.2. Inter-institutional learning. We agree with recommendation #6(iii) relating to support for "an inter-agency consultative learning group of participation" and invite further dialogue with the Bank about what shape such a group might take.

6.4. Costing. We are glad to see that a high level committee will work (with DEC) to institute a research program on the cost-

effectiveness of participation in different types of development work. As the Report points out, "...upfront costs are more readily recognized than downstream benefits." In her opening remarks at the Workshop, Gunilla Olsson emphasized that

"...there is still a general tendency (not only in the Bank...) to evaluate input rather than output or impact. And, to measure progress in terms of how well one has complied with already determined and instituted strategies...Under these circumstances, participatory approaches will always find it difficult to compete."

The research should fully identify and assess downstream benefits -- social and environmental -- and give these benefits the appropriate value and weight.

#### IV. Poverty eradication and participation.

Poverty eradication and participation efforts should be mutually reinforcing. Managing Director Sandstrom stated that:

"Participation is an important 'end' in itself. But it is also a 'means' -- to more effective poverty reduction. That gives it added potency. A growing body of research is confirming that participation can be highly effective in helping communities overcome the shortcomings of very different kinds of economic and governance systems."

Primary stakeholders -- poor people -- usually need expanded capacity in order to improve their own lives through effective participation in development endeavors. Direct poverty reduction needs to go hand-in-hand with participatory development.

We appreciate the candidness of Bank's recent report, Poverty Reduction and the World Bank -- Progress in Fiscal 1993), which documents poor progress and actual backsliding in some areas.

Since poverty reduction is the overarching purpose of the Bank, we ask that the Bank recommit itself to the more fundamental purpose of poverty eradication as it embarks on a process of mainstreaming participation. In this respect, we encourage the Bank to: (a) redouble efforts to ensure that social sector lending (which has significantly expanded) directly reaches and improves the lives of poor people; (b) significantly expand the category the program of targeted investments (PTI) which increases the access of poor people to productive assets; (c) as part of Board approval of each adjustment program, demonstrate how the program will protect and benefit poor people; and (d) further analyze whether and how the Bank's poverty reduction strategy of labor-intensive growth succeeds in diminishing the vulnerability of poor people.

Participatory poverty assessments (PPAs) are a welcome

innovation; they are potentially much more than participatory tools for data collection. We recommend that the Bank: (a) provide funding from its core budget so that all poverty assessments can be participatory; (b) engage poor people in identifying their own indicators of poverty and vulnerability; (c) ensure that ESW, poverty assessments and environmental action plans produce strategies that are key features of each country assistance strategy; and (d) work with a range of stakeholders to compare the nature of participatory versus non-participatory analyses and strategies.

## V. Conclusion

The Bank is to be commended for the Report. We have suggested some amendments to its recommendations.

The main challenge will be to mainstream participation -- to "walk the talk."

Over the course of the next two years, we will be monitoring the Bank's process of operationalizing the recommendations. We would welcome dialogue with the Bank about the types of indicators which will adequately assess progress with respect to the recommendations in the Report and this Addendum.

We suggest another workshop with our Bank colleagues in mid-1996 to share new learnings that have emerged from operationalizing the recommendations on participation. In late 1996, the Board should review progress and recommendations based upon new learning.