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Participatory  
Development and the  
World Bank

Potential Directions for Change

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edited by  
Bhuvan Bhatnagar  
and Aubrey C. Williams

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Washington, D.C.

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## Foreword

Participatory development is an end and a means. It is an end because participation builds skills and enhances people's capacity for action and for enriching their lives. It is a means because participation contributes to better development policies and projects. As a development agency, the World Bank is primarily concerned with exploring how individuals, communities and public and private institutions can contribute to making development prospects better and more lasting.

The World Bank's interest in participatory development is not new. Our operational experience over many years shows that projects tend to be more sustainable and yield higher returns when they involve those they are intended to help. Our operational guidelines on projects such as those involving resettlement, environmental assessment, indigenous peoples, nongovernmental organizations and project monitoring and evaluation specifically encourage borrowers and staff to consult and involve affected populations.

But we recognize that participatory approaches are tidy neither in theory nor practice. As is reflected in this volume, we are challenged to ask ourselves whether we are approaching the idea of participation in the right way. How and to what extent can external agencies such as the Bank en-

courage participatory development? Projects and programs supported by funding agencies such as the Bank should not, and can not, be "donor projects." Governments and various organized interests in society make participation possible. The Bank can help support participatory processes, but its clients must make participation happen.

This report reflects the outcome of a workshop intended to explore some of these difficult issues. The workshop was part of the ongoing search undertaken by a Bank-wide learning group on participation and supported by the Swedish International Development Authority. This book is a guide to the learning process. The main messages of the introductory chapter reflect further thinking of the learning group since the workshop. I fully expect that this volume will encourage wider discussion and debate among Bank staff—and others—on the important issues it raises.

As World Bank President, Lewis T. Preston, noted in his recent address to the Board of Governors of the World Bank Group, we must engage in local consultation and seek broad participation in all development projects. This volume reflects our commitment to find opportunities for such engagement.

Sven Sandstrom  
Managing Director  
The World Bank  
October 1992

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## Acknowledgments

This volume contains the revised and edited papers presented at an international workshop on Participatory Development held at the World Bank, Washington D.C., on February 26-27, 1992, together with summaries of the ensuing discussions. The workshop was intended to draw on the views of knowledgeable persons within the Bank as well as the academic, donor, and nongovernmental community, and, thus, this volume is the work of many both within and outside the Bank.

Swedish International Development Authority's (SIDA) support and the personal involvement of Gunilla Olsson, SIDA's Senior Policy Analyst, has provided critical support for the Bank-wide learning process on participatory development. In addition to its generous financial support, SIDA has made important substantive inputs to the efforts being undertaken inside the Bank to become more participatory.

We would like to thank David Beckmann, current President of the Bread for the World, USA, for his vision and commitment in launching the learning process on participation within the Bank. Special thanks also go to the following Bank managers for their support: Bilsel Alisbah, Robert Picciotto, Moeen Qureshi, Visvanathan Rajagopalan, Sven Sandstrom, Alexander Shakow, Wilfried Thalwitz and Hans Wyss.

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Summary records of the small group discussions in the workshop were prepared by Brett Crawford, Rumana Huque, Smita Lahiri, Christopher Ward and Warren Van Wicklin.

Robert Chambers was the keynote speaker in a half-day seminar organized on February 28, 1992, to brief over 300 staff and outsiders about the workshop.

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*Judy Nicholson*

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# 1

## *Introduction*

*Bhuvan Bhatnagar and Aubrey C. Williams*

In December 1990 two senior vice presidents of the World Bank<sup>1</sup> agreed to explore opportunities to strengthen the Bank's support for "popular participation" in ways that would further the Bank's development objectives. Under the joint responsibility of the Bank's Central Operations Department and External Affairs Department, a Bank-wide internal learning process on popular participation was initiated. The Swedish International Development Authority (SIDA) is supporting this three-year learning process through trust fund appropriations totaling \$1.3 million. The first year culminated in an international workshop on popular participation held in Washington, D.C. in February 1992, which drew on experiences from inside and outside the Bank.

This volume serves as a summary record of that important workshop. It reprints each of the background papers prepared for the workshop and is meant to stimulate further discussion and comment on them. It also describes how the learning process is progressing, highlights preliminary findings, and invites Bank staff to join in the learning process.

The introductory chapter draws heavily on an interim report of the learning process submitted to Sven Sandstrom, Managing Director of the World Bank, in August 1992. That report, which aimed at keeping senior Bank management informed about progress in the learning process, incorporated comments from the Bank's Regional Management. The same interim report will be disseminated and discussed further with other operational staff in the

coming months. Thus, this volume is also helping to contribute to the wide-ranging dialogue on popular participation that is going on at all levels inside the Bank.

The first section of this chapter briefly explains the approach and activities undertaken in the initial 18 months of the learning process. The second section offers an overview of preliminary findings or hypotheses that warrant further consideration. The third section presents highlights of the workshop, including a brief overview of the papers presented and issues emerging from the workshop. The final section sketches out several tracks that could be explored by the Bank as it attempts to "mainstream" the learning process based on its experience with participation and the findings of the international workshop.

### **Activities of the Learning Group**

A group of 15 Bank staff (the core team) oversees the learning process. The group was given a mandate to assist in developing and documenting 20 Bank-supported operations that could be considered participatory, accelerate Bank learning from different initiatives taking place inside and outside the Bank, and investigate any modifications the Bank may need to make in its operational practices in order to encourage popular participation where appropriate.

Since February 1991 the learning group has comprised, apart from the 15 members of the core

team, a network of task managers responsible for operations that appear to be participatory. In addition, a small group of Bank advisers assists the task managers and advises the core team on specific operations. (The composition of the learning group is presented in annex 1.)

Because participatory development means different things to different people, the core team first prepared a concept paper containing its own provisional definitions and approaches (annex 2). The core team defines participation as a process by which people—especially disadvantaged people—can exercise influence over policy formulation, design alternatives, investment choices, management, and monitoring of development interventions in their communities.

While participation should involve all stakeholders, including official borrower representatives from central ministries, mid-level managers, line agency staff, interest groups such as nongovernmental organization (NGOs), local government representatives, and concerned people acting individually or collectively, special attention needs to be paid to women, indigenous people, and the very poor. A distinction is made between direct participation by affected people and indirect participation by other stakeholders. Area-specific communal irrigation projects, for example, often involve micro-planning and self-help that can benefit from direct expressions of participation. By contrast, participation in macro-policy decisions or formulation of national environmental action plans may have to be based on consultative and information-sharing processes that seek out the informed views of public and private stakeholders as well as those of the disadvantaged.

The learning group next identified and sought to promote specific learning initiatives. These initiatives have the potential to become case studies of how participatory processes have been introduced in large-scale Bank-supported operations. More than 80 projects and sector or policy studies were nominated as participatory by the Bank's regional vice presidents. The learning group selected 20 of these for special study and development in a participatory mode. (The 20 projects are listed in annex 3.) To date, proposals from seven of these projects have been approved for support from the SIDA trust fund to develop and document participatory approaches. Proposals from another seven are in the final stages of preparation.

To guide its investigation, the learning group agreed on a set of 21 priority questions on popular

participation (listed in annex 4). To the extent possible, each specific learning initiative addresses one or more of these questions. Questions 1-11 deal with the Bank's capacity to support participation in activities which it finances, and questions 12-21 deal with general issues relating to participation in borrowing countries

The learning group is drawing on experience within and outside the Bank. The personal commitment of individual task managers has often resulted in exceptionally strong participatory aspects of Bank-financed operations, although much of this rich experience remains undocumented. The Bank's Africa and Asia Regional Offices have organized subgroups and workshops on participation. Regional environment divisions have used SIDA funds to assist task managers in strengthening the participatory dimension of their work. The Environment Division, Asia Technical Department, for example, has recruited an experienced consultant to assist country departments in complying with the participatory requirements of Operational Directive 4.01 on Environmental Assessment. Sector and Operations Policy Departments are paying increasing attention to participatory concerns through their poverty work (including the *Poverty Reduction Handbook*), operational directives, and environment policy work. (Operational directives that require or recommend participatory approaches are listed in annex 5.)

The Bank is also learning about participation from its borrowers, from academics, and from other development agencies. The International Fund for Agricultural Development (IFAD), SIDA, the United Nations Children's Fund (UNICEF), and the United Nations Development Programme (UNDP) have been major proponents of participation. Since 1980, the Food and Agriculture Organization (FAO) has promoted its People's Participation Program. In 1991, the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) devoted a major share of its efforts to reviewing participatory approaches to development. The Asian Development Bank (ADB) has drawn up its own "Guidelines for Social Analysis of Development Projects." The 1993 UNDP Human Development Report will focus on participatory development. The Bank and the Society for International Development (SID)—Washington Chapter are co-sponsoring seminars on participation in which speakers are asked to address the 21 questions of the learning process.

To bring together these and other experiences with participation inside and outside the Bank, an international workshop on participatory development was held in Washington, D.C. on February 26 and 27, 1992. About 80 people attended, half drawn from inside the Bank and half from outside. Non-Bank participants included southern and northern NGO representatives, academics, donor agency staff, and a few government officials (annex 6).

The workshop, moderated by Sven Sandstrom, considered the range of the Bank's work, including policy dialogue, research, analytical work, policy-based lending, and investment projects. On the first day, small working groups grappled with various general aspects of participatory development (capacity building, consultation, institutional processes, monitoring and evaluation, and funding instruments). On the second day, the groups focused on the impact that participatory approaches to development would have on the Bank's budget, staffing, work with others, disclosure of information policy, and the project cycle. On February 28, a half-day seminar briefed more than 300 staff and outsiders about the workshop.

### Emerging Lessons

Halfway into the learning process, it is premature to draw conclusive lessons. But several preliminary findings and hypotheses are emerging from discussions within the core team, interviews with task managers and a review of project documents for the 20 selected projects, task managers' written responses to the core team's 21 questions, information provided by academics and development professionals, and a literature review of Bank and non-Bank documents, including background papers prepared for the February workshop. These provisional lessons are discussed below under two headings: (1) benefits and risks of participatory development in borrowing countries and (2) opportunities and constraints affecting the Bank's capacity and support for participatory development.

#### *Benefits and Risks*

*Benefits.* Rigorous empirical evidence is scant but nevertheless positive about the benefits of participation to development effectiveness. A 1976 report by Development Associates, Inc., on its experience with small farmer projects provided quantitative data based on rural development

experience in 10 African and Latin American countries. According to the report, key factors in the success of development projects are "small farmers' involvement in project decision-making and the willingness of small farmers to make a resource commitment to the project" (Morss and others 1976).

A 1985 report from the Bank's Operations Evaluation Department, which analyzed completed projects (mostly in agriculture and rural development), documented the link between grass-roots participation and project sustainability (OED 1985). The report, based on impact evaluations of 25 projects conducted 5 to 10 years after completion, found that 12 of the 25 projects had achieved long-term sustainability, while 13 had not. One set of underlying factors credited with having a significant bearing on project sustainability was participation by grass-roots institutions and beneficiaries. The department's separate review of 42 Bank-financed irrigation projects in 1987 concluded that economic returns were consistently higher for projects that involved farmers in planning and management of the irrigation system.

A 1990 study of 52 projects in various sectors by the United States Agency for International Development (USAID) showed a positive correlation between participation and project success. The correlation between participation and success was almost as strong as between the availability of finance and success.

The strongest documented evidence of the link between participation and development effectiveness is in the water sector, which includes irrigation. In Côte d'Ivoire, for instance, an information campaign, decentralization of the water utility, and the launching of a community development program reduced maintenance costs of the National Rural Water-Supply Program by 50 percent. As one of the 20 selected projects for the learning process (see annex 3), the UNDP-World Bank Water and Sanitation Program is undertaking a study, based on evaluation reports from different agencies, of 110 completed rural water-supply projects. Preliminary results, based on a correlation analysis of 52 projects, support strong associations between overall project effectiveness, sustainability, and participation-related variables. While scores on participation correlate highly with improved quality of project design and project implementation, the association is even stronger for women's involvement. Final results will be available by the end of 1992.

Evidence is also growing that in certain areas (particularly those requiring changes in community behavior, such as water and sanitation, primary health, forestry and natural resource management, land reform and rural development, education, and small-scale enterprise) participation tends to build commitment, which in turn tends to lead to greater sustainability. In areas requiring changes in individual and household behavior—like family planning, savings and credit, income generation, and the adoption of new farm practices—information, feedback, consultation, and the active promotion of solidarity or support groups tend to lead to increased demand, greater adoption of new practices, and better utilization of services.

There are a number of reasons why governments may find that participatory approaches produce net benefits, despite some economic and political costs. Participatory approaches allow governments to:

- Collect more accurate and representative information about the needs, priorities, and capabilities of local people, and the impact of government initiatives and programs
- Adapt programs to meet local conditions so that scarce resources can be employed more effectively
- Deliver better quality and demand-responsive services
- Mobilize local resources to augment or even substitute for scarce governmental resources
- Improve utilization and maintenance of governmental facilities and services
- Increase public recognition of governmental achievements and legitimacy.

*Risks.* The main risks of participation include:

- Incurring initially high transaction costs to generate and sustain participatory approaches
- Raising expectations prematurely
- Substituting, not complementing, technical knowledge with local information
- Capturing of development resources by local elites.

Costs of participation to local communities are often large, relative to their resources. Costs to clients in borrowing countries include actual costs in time expended in consultation and the cost of extension services—particularly the recurrent cost of fielding community promoters or change agents.

The dangers of prematurely raising expectations are readily apparent. But the Bank may have erred too much on the side of caution. For example, the Bank's early lending for family planning was constrained in part because of concern that popular demand for contraception might outstrip supply if information and participatory mechanisms were put in place too early. That concern has proven to be unfounded.

While listening to the people is essential, technical expertise can help the disadvantaged choose a course of action best suited for their needs and aspirations. Technical expertise is also necessary to interpret and translate these needs into appropriate forms.

Sometimes resources for development can be captured by local elites and used primarily for their own benefit rather than the intended beneficiaries. This happens because local elites usually have advantageous ties to national elites, because they have access to and information about resource allocation procedures, and because they can use threats and force against the disadvantaged.

### *Opportunities and Constraints*

*Opportunities.* The 20 projects selected for the Bank's learning process (annex 3) represent 13 different subsectors and present an opportunity to study "how to" mechanisms supporting participatory efforts across a range of Bank-supported operations. Different types of Bank-financed operations require different intensities of participation. Some operations require information sharing or intermittent consultation with affected people. In other operations, local people must play a decision-making role and take initiative in planning and implementing actions.

Despite a growing inventory, it is still too early to tell whether these 20 operations are indeed participatory or whether they merely reflect good intentions. The Bank's regional offices need to begin documenting their experiences in promoting participatory approaches and contributing to the preparation and dissemination of case studies of successful and failed approaches to promoting participation. The Africa Region of the Bank has begun to assess borrower experience in promoting participation in the preparation of environmental assessments. The Latin America and Caribbean Region is conducting a study of cross-regional experience to document best practices in popular participation. The Second Annual Implementation

Review of the Bank's Operational Directive on Environmental Assessment will focus on issues of participation in the environmental assessment process. The Environment Department will look at the best practices in this area and incorporate the findings into a sectoral training program. Together with selected sector operations divisions, the Water and Sanitation Division of the Infrastructure and Urban Development Department is assisting in the design, monitoring, and evaluation of four rural water-supply projects for the poor.

Since formulating and influencing development policy is an area of comparative advantage for the Bank, efforts at promoting participation conceivably should extend beyond the project framework. Nonlending activities of the Bank have contributed to opening up wider opportunities for participation. The emergence of participatory approaches in the Côte d'Ivoire National Rural Water Supply Program described above, as well as in the Mexico Decentralization and Regional Development Project (one of the 20 projects included in the learning process), can be traced back to participatory policy studies.

Other examples of sector work and policy studies undertaken in a participatory way include the India Family Planning Sector report, the Côte d'Ivoire Post-Primary Skills Development study, the Zaire Environment and Forestry study, the Africa Long-Term Perspective study, African National Environmental Action Plans, Guinea and Benin health beneficiary assessments, the Zimbabwe Water Sector Policy Review, and studies on education and women in development in Burkina Faso. Within the Economic Development Institute, the women in development and NGO training activities are being conceived and implemented in participatory ways.

Governments' predisposition, policies, and practices in affording citizens opportunities for participation are key. Without government commitment, there is little external agencies can do to broaden and sustain participation. This does not imply that external agencies must remain passive. It does mean, however, that the Bank's strength lies in its ability to engage in dialogue with governments about appropriate policies and methods to promote people's involvement in the development process and to influence borrowers to successfully implement all aspects of Bank-financed operations, including participation-related aspects. The Latin America and Caribbean Region has made explicit the link between strengthening popular participa-

tion early in the design of operations (during the Initiating Executive Project Summary) and building borrower commitment to improving the quality, impact, and sustainability of the Bank's lending portfolio in the region. The Africa Region has emphasized that participatory approaches are key to developing borrower-client ownership in the regional guidelines for project preparation issued in November 1991.

The opportunities for the Bank to stimulate broader participation have been strengthened by its increased ability to engage in dialogue on a wide range of critical development issues. This strength, however, has on the whole been concentrated on the Bank's interactions with central governments and, in some countries, with state and provincial governments. The dialogue at the local level has generally been very limited and, when it has taken place, has been in the context of specific, mainly urban, projects. Greater attention will be needed in the Bank's work to address the role of local governments in involving people in decision making on locally provided services, including their financing.

*Constraints.* As acknowledged earlier, there are possible incremental costs in promoting participation to borrowing governments and local communities. Many Bank task managers argue that there are extra costs to the Bank of ensuring participatory approaches. One can hypothesize that (1) there are frequently added costs incurred by both borrowers and the Bank in designing and starting up participatory operations and that (2) Bank staff are sometimes successful in reducing costs to the Bank by relying on the borrower and grant-making agencies. For example, in the Mexico Decentralization and Regional Development Project all the expenses for seminars and other participatory approaches to project preparation were borne by state governments and federal agencies.

Research should also be undertaken to try to determine the net benefits from participatory practices. This research should include a test of the negative hypothesis that low borrower commitment and low levels of popular participation often lead to high costs later because of low impact or project failure. Such costs include the lack or misuse of facilities, poor maintenance, deterioration of infrastructure, and program decline. While the Kampung Improvement Program in Indonesia, supported by several Bank-financed projects, was successful in building physical infrastructure, some

facilities were not used and others broke down because of poor maintenance and minimal participation by client communities. These costs can be attributed, in part, to lack of upstream investments in processes that enable people to influence decisions that affect them.

A closely related constraint has to do with the availability of and access to relevant information about development interventions. Some political cultures foster openness and debate; others are controlling and closed. Participation is a function of information through which people can come to share a development vision, make choices, and manage activities. A range of consultative techniques has emerged for eliciting information in participatory ways, including geographic information systems, participatory rural appraisals, and beneficiary assessments. But these methods can be undertaken credibly only if people see that information also flows from governments and external supporters in ways that genuinely seek people's informed participation.

Other important constraints are scale and methodology. To go beyond successful small-scale efforts may require taking steps to persuade and assist public agencies to adopt a participatory ethos. Institutions may have to be set up or strengthened to pursue action-research methods of planning and sequencing interventions in consultation with local communities, as was done successfully by the Philippines National Irrigation Administration. New skills will therefore be needed, both in borrowing countries and in the Bank. Within the Bank, some steps are being taken to prepare case study materials and guidelines.<sup>2</sup> But much more is needed.

### **February Workshop on Participatory Development**

The opportunities and constraints discussed above were brought out fully in the February 1992 Bank-sponsored workshop on participatory development. The purpose of the two-day workshop was to stimulate discussion about important aspects of participation and development and to help the learning group focus on issues relevant to strengthening Bank support for participatory approaches.

The workshop and this volume were organized around the 21 priority questions of the learning group (listed in annex 4). A matrix explaining the organization of the workshop is presented in annex 7. Workshop papers and discussion summaries focusing on questions 1-11 are included in parts I

and II of this volume. Parts III and IV contain workshop papers and discussion summaries dealing with questions 12-21.

For the first day, workshop participants were divided into small groups, organized around four distinct but interrelated topics concerning participation-in-development activities in borrowing countries: capacity building and consultation, institutional processes, funding instruments, and monitoring and evaluation of participation. The topics were selected with a mind to priority questions 12 through 21 of the Bank-wide learning group (annex 4). A background paper had been prepared to stimulate discussion of relevant issues in each small group. For the most part, the background papers directly addressed the priority questions associated with a particular small group. These papers are included in part III of this volume.

Thomas Dichter's paper deals with the crisis in professional confidence about working in the "swampy lowlands" of messy, confusing problems of the greatest human concern. Development practitioners today have to choose whether to work on the high ground of safe, precise measurement or to descend into the swamp of nonrigorous inquiry. While workshop participants liked Dichter's imagery, some preferred to picture uplands of trees and woods (representing great diversity) that looked down on agricultural flatlands of straight-lined furrows. It was agreed that these uplands, the true high grounds, with their concern for people, poverty, environment, and now participation, require a different sort of rigor and approach.

The remaining papers attempt to develop and document this rigor and approach. Michael Cernea's paper crafts out a six-step "social methodology" to organize participation. Thomas Carroll focuses on the relationships between local development groups and national intermediary support organizations in building "group capacity." Alexandre Marc discusses the experience of the World Bank in designing and setting up "funding instruments" conducive to participation. Norman Uphoff details participatory approaches for "monitoring and evaluation" of participation.

On the second day, workshop participants were again divided into four small groups. These groups were organized according to four factors influencing the Bank's capacity to promote participatory development: budgetary requirements, staffing policies, ability to work with others, and receptivity to outside pressures. These topics were selected

with a mind to the first set of priority questions (1 through 11) of the Bank-wide learning group (annex 4). The second-day discussions functioned a bit differently from the first-day sessions because each of the five background papers for the second day addressed all priority questions 1 through 11 from the perspective of a different development agency. Agencies that documented their experience were the Bangladesh Rural Advancement Committee (BRAC), IFAD, SIDA, UNICEF, and the World Bank. These papers are included as part I of this volume.

The questions and related papers for both days were intended to stimulate discussion about important aspects of participation and development. These aspects inevitably interlocked or overlapped. Small groups were expected to begin their discussions with an assessment of the relevance of the questions and the degree to which the background papers shed light on the key questions. By the end of each session, however, groups were expected to have moved beyond specific questions and background papers. Groups were requested to pull together priority concerns and recommendations for consideration in the plenary session at the end of each day. Some participants found this "task orientation" of the workshop to be restrictive, despite the participatory processes and techniques built into the workshop design (annex 8).

Discussions were guided by a trained facilitator placed in each small group. Although the facilitators were not subject-matter specialists, they were committed to making the small group discussions participatory. The authors of the workshop papers, though present, were not meant to lead discussions but were expected to provide expert insights as needed. A recorder was placed in each small group to provide a written summary of the discussions. These summaries were circulated to the participants for comments, and revised versions have been included in parts II and IV of this volume.

One of the key issues emerging from the workshop's first day concerned the definition of participation—specifically, whether participation is an end or a means. Some participants suggested that the Bank should uphold participation as a business philosophy and asserted that the Bank is unnecessarily coy about participation while being decisive about structural adjustment. Others, concerned about the risk of antagonism and political resistance, cautioned against promoting participation as an end in itself. They argued that participa-

tion is best justified as a means of making development more effective.

Some participants pointed out that the Bank is attempting to depoliticize participation to make it fit into the Bank's mandate. The aim of participation, they argued, is to ensure effective, equitable, and appropriate allocation of resources. Resource allocation is a political issue and must be recognized by the Bank as such.

Although not unanimous in their views, workshop participants shared a clear set of concerns. Participants felt that the Bank has a responsibility to support a participatory culture by including in its policy dialogue the importance of information and democratic openness, the rule of law, and appropriate legal structures supporting the private and nongovernmental sectors and local government bodies. In particular, as the role of the state is being redefined and rolled back in many countries, it has become more important for residual state functions to become more efficient through the discipline of greater public accountability and for civil society (including the private sector, NGOs, and local government) to assume certain functions for which the state was previously responsible.

Participants also cautioned that there is no blueprint for promoting participation. It was suggested that the Bank should conduct an institutional analysis in borrowing countries to learn who is doing what and to build on ongoing processes and capabilities. The Bank, it was felt, should support more pilot activities to demonstrate what can be done and give organizations opportunities to learn. Participation should be promoted as early as possible, during preproject conceptualization and identification.

In support of such efforts, participants (particularly NGO representatives) felt that the Bank needs to be more proactive in encouraging borrowing governments to share information and to debate development issues and options. The Bank was seen as setting an example by its willingness to make more information available in freestanding Global Environmental Facility projects. The possibility of conducting economic and sector work with heavy involvement of nationals in borrowing countries was discussed. Some participants advocated opening up the Bank policy-making process in ways that invite the involvement of knowledgeable persons through consultations and sharing draft policy documents with such people.

The small discussion groups also addressed the need to simplify funding instruments if governments and the Bank intend to support participatory approaches. In channeling funds to local government, communities, NGOs, and the informal sector, it was recommended that the Bank identify appropriate mechanisms to facilitate timely disbursements. Monitoring and evaluation of Bank-assisted projects should be done in a participatory manner.

While some donor representatives expressed eagerness to support participatory approaches through trust funds, they also felt that some of the Bank's overarching priorities (poverty and environment, with emphasis on participation) lacks credibility because they appear to depend disproportionately on trust fund support.

Against this background, workshop participants sought to identify obstacles to participation within the Bank. Some pointed out that organizations tend to replicate externally the styles of operations that prevail internally. If the Bank is serious about supporting participation in development activities in borrowing countries, they argued, then it must pay attention to how its own internal operational procedures may need to be modified in order to support this participation.

While not questioning the project approach, participants raised many concerns about the Bank's project procedures. The Bank was seen as preferring easily quantifiable, supply-driven projects over those that are demand-driven and hard to appraise in advance. Appraisal and Board presentation command a disproportionate amount of attention and effort. Some Bank participants felt that career advancement and salary review depend on bringing in projects to the Bank's Board. Only the exceptional staff member risks slowing down or experimenting and deviating from traditional project designs.

Bank task managers sometimes face pressure to "move money," not always sufficiently balanced by pressures and incentives for quality impact. Some workshop participants suggested that democratic counter-pressure just might prove strong enough to get the Bank to make needed adjustments in its administrative budget (more human attention per million dollars of lending) and timetables.

Addressing Bank culture further, some workshop participants noted a tendency to regard only economists as "professionals." The Bank was urged to reexamine its staff skill mix in terms of selection criteria, professional diversity, personality, and

value orientation. Finally, there was an appeal to review the prevailing incentive structure that affects how the Bank is perceived, whom it recruits, and what kinds of risks are rewarded. More people with "participation" skills are needed in the Bank. Several workshop participants felt that "skills" refers partly to academic discipline, but much more to attitude, commitment, field experience, negotiating skills, and other personal traits. For people already in the Bank and for key people in borrowing countries, training, with an emphasis on listening skills and on catalyzing participatory processes, is also essential.

### **Mainstreaming the Learning Process**

World Bank President Lewis T. Preston recently stated in Rio de Janeiro that "consultation with the local people affected by development projects is a priority." A key message of *World Development Report 1992* is that local participation in setting and implementing environmental policies and investments will yield high returns. The Operations Evaluations Department has documented project failures caused by lack of borrower commitment, lack of consultation with local people, centralized management that interferes with people's management, and weak institutional capacity at the lower levels of bureaucracy in many developing countries. The economic, social, and cultural benefits provide compelling reasons to encourage greater attention to participation and to mainstreaming the learning process.

Mainstreaming refers to integrating participatory approaches into the Bank's work by inviting the Bank as a whole to join in the learning process. Learning should not be restricted to 20 priority projects nor to a few task managers and core team members who have so far been the primary audience or beneficiaries of the learning process. The entire Bank should become the learning group. In closing the workshop, Managing Director Sven Sandstrom stressed that "the Bank tends to compartmentalize too much; feedback and linkages are not given adequate attention. We need to look at participation with all other elements of the Bank's work in each country. If we can get participation into this broader framework, we can mainstream participation throughout the Bank."

To begin to mainstream participatory approaches in the context of the Bank's work, the core team has identified three priority "tracks" or "themes" that might fruitfully be pursued in the near future:

- Providing operational support
- Setting up participation-related training
- Sharing information beyond the learning group.

These three priorities have been selected from a wider menu of options because the core team considers them key for providing the regions with instruments for acting on what we already know about participatory development. The core team recognizes that limited staff and consultant budgets available for the Bank-wide learning process would make follow-up action across a wider range of activities far too ambitious and unrealistic.

### *Operational Mainstreaming*

Operational mainstreaming of participation should be promoted as a priority through economic and sector work, policy dialogue, and lending operations. Among the specific approaches advocated:

- Borrowers can be encouraged to make greater use of funding from the Bank's Project Preparation Facility to defray costs of participation to local communities and themselves.
- Some of the 84 planned poverty assessments to be conducted by the Bank can be done in a participatory way that strengthens the voice of the poor to see if they validate the situation assessment (conducted by traditional methods) and affirm the efficacy of proposed strategies.
- The Bank's Technical Departments can sensitize Project Advisers, Senior Operations Advisers, and Chief Economists to ask questions on participation while reviewing Initiating Executive Project Summaries, Final Executive Project Summaries, and Initiating Memoranda.
- Regional Vice Presidents and Directors of Country Departments can identify staff with participation-related skills and make them available across departments to advise regional staff. If needed, new staff can be recruited to disseminate participatory skills across departments.
- Current operational directives with language on participation (annex 5) and those under preparation (like the proposed directives for Sociological Appraisals and Environmental Action Plans) can be reviewed by the core team with an eye toward strengthening their participatory content. The Central Operations Department can ascertain the extent to which existing operational guidelines with language on participation are being applied.
- The Bank's External Affairs Department can assist Directors of Country Departments in identifying NGO representatives to serve as participation advisers during the identification and preparation of Bank-assisted lending operations. NGO members of the NGO-World Bank Committee have proposed that three operations be selected Bank-wide for this purpose.
- While remaining mindful of its independence, the Operations Evaluation Department could nonetheless consider expanding its use of participatory data collection in its evaluations and seek to document linkages between participatory approaches and effectiveness of development investments.
- Key ongoing task forces in the Bank on supervision, skill mix, and information disclosure can integrate participatory issues into their analysis.

### *Training and Field Experience*

Supporting participatory development in the work of the regions is a complex and difficult process. The core team recommends that the Training Division of the Bank's Personnel Management Department organize training activities for Bank staff in order to develop personal skills (such as the ability to listen) and professional skills (for example, familiarity with participatory appraisals and beneficiary assessments) needed to deal with the practicalities of promoting participation in large-scale development programs. More specifically, the core team advises the following:

- The Personnel Management Department should examine the entire training curriculum for Bank staff to ensure that participatory issues are explored across the board in training.
- The Personnel Management Department should further emphasize the development of listening skills in training for mission leaders. The department might also set up training programs for task managers interested in learning about the practicalities of promoting participation.
- To this end, the Central Operations Department should take the lead in coordinating preparation of case studies and other materials necessary for training or for the dissemination of technical information on participatory approaches. The Sector and Operations Policy Departments could then prepare guidelines on the "how to's" of participation in select sectors—or, where appropriate, across sectors—in which the Bank is actively involved and compile a best-practices handbook.

- Because traditional classroom-type training is not sufficient, avenues for experiential training of Bank staff could be explored. External development assignments with indigenous NGOs in developing countries is one option. The NGO-World Bank Committee can assist in outlining an experiential training program and in suggesting NGO placements.

### *Information Sharing*

The workshop concluded that there is a pressing need to share information about participation within the Bank. Information should focus on what is being done, what more could be done, and the results of ongoing research and evaluation work. Bank staff should be encouraged to share information about their work. Information should be readily accessible and user-friendly. Specific recommendations in this area call for:

- Using the *Bank's World* and other Bank publications to feature stories about participatory approaches that have been tried. The primary objective would be informational; a secondary objective would be to give more visibility and encouragement to staff who are doing participatory work. *Finance and Development* and *World Bank Research Observer* could be used to disseminate the ongoing results of research and the learning process.

- Requesting the Bank's Regional Vice Presidents to encourage select learning group members to meet with regional management teams, in particular Senior Operations Advisers and Directors of Technical Departments. Such meetings could aim to interest Country Departments and Sector Operation Divisions in forming learning networks of their own around a few operations nominated as potentially participatory by the regional offices.

- Assisting the Central Operations Department to organize periodic seminars featuring task managers of participatory projects returning from mission who can be invited to discuss their field-level experience.

The core team will assist the regions in pursuing these three priority tracks—operational mainstreaming, training, and information sharing—in order to further the mainstreaming of participation in the coming months. In addition, the core team has a work program of its own. While the

core team will continue to monitor and support the development and documentation of the 20 selected participatory operations and to disseminate findings, its members and associates will be responsible for these specific activities:

- Documenting the linkages between governance and participation
- Analyzing the economic costs and benefits of participation
- Studying the Bank's experience in applying its procurement procedures to participatory projects
- Analyzing the Bank's experience with funding mechanisms for small-scale investments in borrowing countries
- Researching legal impediments to popular participation in Bank-financed projects
- Conducting a study of the role of collective action in the delivery of sustainable rural water supply services
- Providing support to the 1993 World Development Report team in preparing a chapter on participation in the health sector
- Preparing the final report on the participation learning process by June 1994 (possibly combined with a workshop and publication of papers).

### **Notes**

1. Senior Vice President for Operations Moeen Qureshi and Senior Vice President for Policy, Research and External Affairs Wilfried Thalwitz.

2. Refer to, for example, Michael Cernea, "The Building Blocks of Participation: Testing A Social Methodology"; Lawrence Salmen, "Beneficiary Assessment—An Approach Described"; Richard Heaver, "Participative Rural Appraisals: Potential Applications to Family Planning, Health, and Nutrition Programs"; Deepa Narayan-Parker, "Participatory Evaluation: Tools for Managing Change in Water and Sanitation"; the *Poverty Reduction Handbook*; and *Environmental Assessment Source Book*, volume 1, chapter 7.

### **References**

- Morss, Elliott R., John K. Hatch, Donald R. Mickelwait, and Charles F. Sweet. 1976. *Strategies for Small Farmer Development*. Boulder, Colo.: Westview.
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*Part I. Participatory Development and  
the World Bank:  
Five Agency Perspectives*

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# 2

## *Participatory Development and the World Bank: Opportunities and Concerns*

*Bhuvan Bhatnagar*

### **Summary**

This chapter addresses 11 of 21 priority questions (annex 4) on participatory development identified by the core team of the Bank-wide learning process and presents preliminary findings or hypotheses that appear to warrant further consideration. The chapter is based on information provided by project managers, core team members, academics, and development practitioners. Some portions of the chapter are impressionistic or anecdotal but are nonetheless based on experience.

This chapter is not an essay on participatory development as viewed from within the Bank. Instead, the chapter invites readers to comment on the utility of the questions themselves as a basis for investigation. More important, the chapter is intended to point to issues deserving further examination. The learning process needs to move beyond seeing trees—that is, the 21 priority questions and a multitude of related questions that emerge—and begin to look more broadly at the forest, or the clusters of priority concerns and issues that could eventually lead to policy recommendations for the Bank.

The summary discussion follows groups of questions and issues in three areas: (1) concerns related to the definition of participation, (2) issues related to borrowing governments that are members of the World Bank Group, and (3) issues related to the Bank's commitment and capacity to

support participation in Bank-financed activities. Questions 12 through 21 (addressed in papers included in part III of this volume) deal with general issues relating to participation in borrowing countries (area 2). Readers are urged to draw on their own experience and on the experience of other development agencies to guide the Bank further on the questions relating to area 3.

### *Definition of Participation*

Annex 2 summarizes the core team's current definition and understanding of and approach to the concept of participation. The final section of annex 3 summarizes various reactions the core team has received to date. Although it is perhaps unrealistic to expect the spectrum of development thinkers and practitioners to adopt a common definition, it is important that there be a consensus about participation's underlying principles. Does the core team's working definition make sense, or should it be modified? If so, how?

### *Participation and Borrowing Governments*

The next area of consideration focuses on what the Bank's member governments can do to facilitate participation. While this chapter focuses on the Bank as distinct from governments, this section highlights the importance of borrowing governments for the Bank's support for participation.

*Governance and participation.* Projects supported by the Bank are not Bank projects, but merely Bank-financed projects. The ownership of these projects lies with borrowing countries and their implementing agencies. To avoid potential conflict between the role of an implementor and the role of a financier, responsibility for implementing all aspects, including participatory aspects, of Bank-financed operations lies with borrowing governments. If governments are not sympathetic, what implicit or explicit strategies can the Bank employ to strengthen borrower commitment to participation? Since many of the critical issues relate not just to the implementation of specific projects but to the overall policy environment, what, if anything, can be done to make for a more participatory environment?

*Development priorities and resource allocation.* In selecting development priorities or the type of project to be embarked upon, how responsive should the borrower be to priorities chosen by disadvantaged groups themselves? Has the experience of the Bank or other donors uncovered viable processes for eliciting priorities, assessing commitment to make good use of resources, and involving people on a large scale in making choices and implementing decisions?

*The disadvantaged and participation.* The tentative findings that emerge raise concerns about the intensity of participation of disadvantaged people. While the disadvantaged are sometimes involved in information sharing and consultation, they are seldom involved in decision making or initiating action. Can the World Bank or other external donors attempt to determine which partners should be invited to participate in a development activity in a sovereign country? Or, assuming that governments make the ultimate determination in such matters, should the Bank finance projects in which the process of partner selection marginalizes the disadvantaged? While participation is for all, should the Bank work with governments to focus primarily on participation by the disadvantaged who normally lack exit and voice options and who face the risk of "capture" by local elites? If so, how should this focus best be acquired?

#### *The Bank's Capacity to Support Participation*

*Extent of participation.* In attempting to answer the 11 questions about the World Bank and cur-

rent experience with participation, this chapter offers many examples of people's involvement in Bank-supported activities. However, it is evident that both opportunities and constraints exist. Some areas of donor and Bank involvement seem to be more readily amenable than others to participation by individuals, groups, and a range of institutions. Should the Bank concentrate on helping governments become more participatory or on ensuring that the operations it supports are participatory? Assuming that the answer is a bit of both, is participation desirable and feasible in all areas of Bank work, including policy dialogue with borrowing governments, research, analytical work, policy-based lending (in support of macroeconomic reform and structural adjustment), and investment projects? Where are there practical opportunities on which to build? Where are there clear limits to participation? How can the Bank's commitment be best expressed in light of the Bank's characteristics and place among a range of external development agencies?

*Time and money.* Does a participatory approach necessarily require more time? If so, what are the implications for the pace and scale of the Bank's lending operations in a country? Evidence suggests that some kinds of projects can be formulated with participatory inputs within a reasonably short time. However, compensatory steps must be taken to design and encourage a process in which more detailed preparation—with participation—occurs during the project implementation period. What kinds of costs might be borne appropriately by local communities, special interest groups, governments, and the Bank? Are there discernible costs to the Bank of not providing for participation? Often the net benefits of promoting participatory development are positive (taking account of the time horizon), but is it possible that in some cases the short-run costs may be so high that there is no long run? How can this be avoided?

*Staffing and personnel.* Assuming that there can be a consensus on the Bank's role, what kind of staff resources are needed to support participatory approaches? Are there examples of cases in which a large organization has learned to value participation rather than treating the subject as another add-on initiative? What kind of training might be appropriate for existing staff? Is there any precedent in large organizations elsewhere for designing reward and incentive systems to

strengthen staff commitment to participatory processes? Is field presence by expatriate staff sent from headquarters necessary to support participatory processes in member countries? Or is it more important to encourage recruitment of appropriate local staff in member countries?

*Working with others.* As a development agency, the World Bank is increasingly geared toward helping borrowing governments develop appropriate national policies that support individual and group initiatives throughout society. The Bank is very much involved in assisting governments to reform or strengthen their macroeconomic frameworks and in developing sectoral interventions that lead to better programs and development activities at the micro level.

How can the Bank best support actions at the micro level while supporting macro-policy and sectoral reforms? The Bank has expanded efforts to work with nongovernmental organizations (NGOs) and local government institutions as one way of attempting to bridge its macro- and micro-level spheres of development work. How can the Bank further strengthen its work in support of NGOs and local governments? The chapter includes cases in which the Bank has supported efforts to scale up and replicate small-scale efforts initially undertaken with the support of other agencies. There are many questions about scale, replicability, and sustainability of isolated local initiatives. How can the Bank best support participatory initiatives at the micro level? Is it desirable or reasonable to expect the Bank to initiate agencies that work directly at the micro level? Or should the Bank join governments and other donors in a decentralized framework that allows a variety of partners to participate in development initiatives undertaken by communities? (See chapter 12.)

Partnership and responsiveness to micro-level needs and initiatives are possible only if there is adequate information sharing with intended beneficiaries and affected people. What practical mechanisms are available that permit widespread sharing of information with local populations? What can be done to strengthen borrowing government and Bank commitment to make the information-sharing process more open, transparent, and two-way?

Beyond the issue of borrower and Bank commitment to information sharing, is there also an issue regarding the relationship between the size of a Bank loan and efforts to promote participa-

tion? In view of the Bank's role as a "wholesaler" of development assistance (rather than as a financial intermediary at the micro level), is loan size inherently "good" or "bad" for participatory development? Are social investment funds (discussed in chapter 14) an effective means of reconciling the cost effectiveness of large loans with the necessity of retailing relatively small funds at the micro level? What are the other options available to the Bank?

Finally, how can available resources be better or differently used to improve technical assistance at the micro level while promoting learning and change (bureaucratic reorientation and investments in social infrastructure) at local, regional, and national levels of government? Or are additional resources required by the Bank to support participatory approaches to development?

### Flexibility and the Project Cycle (Question 1)

In some of the 20 Bank-supported operations selected for the Bank-wide learning process, flexibility has been built into the project cycle to allow for project modifications resulting from consultation and information sharing with intended beneficiaries and affected people. In others, lessons learned about the need for flexibility have informed the design of the subsequent phase. But iterative planning and learning from experience could not have resulted in the involvement of stakeholders had it not been accompanied by investment in social infrastructure and bureaucratic reorientation. In some cases, the Bank has also assessed and influenced other factors, like government-NGO relations, which shape and sometimes determine the extent of popular participation possible within the project cycle. If the Bank wants to have participation fully and clearly on its agenda, for example, in economic and sector work as well as in macroeconomic reforms and investment operations, then efforts to promote participation should not be restricted to the project cycle.

David Korten (1980) identifies flexibility as one of the key characteristics of the learning process necessary for people-centered development. Since there are no fixed approaches that guarantee participation, flexibility is essential if a project is to evolve and grow based on local needs and preferences. Flexibility was designed into the Philippines Central Visayas Regional Project (FY 83), repeated reformulations of which were allowed by project design. While a midterm reappraisal and restructuring of the project involved no formal popular

participation, it led to emphasis on community organizing designed to elicit popular expression of community needs. Thus, much of the infrastructure component was reshaped in accordance with local priorities. Community organizing also resulted in the active development of client associations (fishermen and farmers associations) that decided which project interventions they wished to pursue and at what rates; targets were revised accordingly. Some of these associations pushed the project in particular directions—especially in dealing with resource management issues such as land conflicts, legal instruments for collective tenure, and usufruct rights.

Learning is a continuous process that should not be circumscribed by an artificial project time frame. Lessons learned from one operation's project cycle about the need for flexibility, for instance, can be built into the design of the next phase.

The Philippines Communal Irrigation Development II Project (FY 90) was designed with looser time schedules and targets after a push had to be made in the Philippines Communal Irrigation Development I Project (FY 82) to meet predetermined targets for creating new irrigation associations. In the second phase, targets for creating new associations were firmed up only for the first year. This flexibility allowed implementing agencies to reassess and reformulate targets each year, depending on the progress made in the previous year. It also permitted the National Irrigation Administration to invest time and resources in building upon existing *zanjera* associations instead of rushing to meet predetermined targets for creating new ones.

Preliminary experience from the 20 operations selected for the Bank-wide learning process reveals that flexibility can be built into the Bank's project cycle to enable people to influence development decisions that affect them. But more than iterative planning and learning from experience is needed if Bank-supported projects are to encourage and institutionalize participation. Other essentials include a project design that establishes, supports, and strengthens the involvement of stakeholders in various phases of the project cycle, and upstream investments—that is, in the identification and preparation phase—in social infrastructure and bureaucratic reorientation (Korten and Uphoff 1981).

Paying attention to social infrastructure also does not appear to require significant changes in the Bank's project cycle, as long as this concern is addressed upstream. In the Mexico Hydroelectric

Development Project (FY 89), for instance, this phase was used to develop preconditions for making the learning process effective. Institutional changes were made in the implementing agency, staff complements and skills were improved, baseline data were gathered and analyzed, and a field presence was established. By investing in social infrastructure before building physical infrastructure—that is, by laying the groundwork for resettlement during the preparation phase—project planners avoided the problems of relegating people-centered preparatory work to the implementation phase, so common in the old Bank approach to resettlement. (This approach was revised in June 1990.)

On the other hand, Indonesia Jabotabek Urban Development III Project (FY 91) experienced delays in the first year of implementation, in part because community development consultants necessary for community management were not put in place during project preparation. These consultants were supposed to help community-based organizations prepare their *kampung* development plans and train local government staff to understand and support community development aspects of the *kampung* improvement program. One year into the project's implementation, *kampung* development plans have not been formulated and bureaucratic reorientation has not begun because community development consultants have been in the field just five months in the first 30 sites and have not been placed in the field in the next 20 sites. These delays, coupled with the fact that physical implementation of the project has reached a take-off stage, have raised concerns of a potential mismatch between the physical infrastructure and local needs. Local government commitment to community participation also risks being overwhelmed by the pace and volume of contracting for physical work.

Providing technical assistance in the form of grants during preparation and design can be instrumental in ensuring the preconditions for participatory processes when they are needed. Funding for pre-implementation community-organizing activities is discussed in greater detail under question 3.

Popular participation within Bank-supported projects also depends on a variety of other factors. These include consensus on and ownership of the participatory components within various government ministries and their implementing agencies; the capacity of intermediary institutions, like

NGOs, community organizations, local governments, and the private sector, to empower people to make decisions on external interventions in their community; and the relationship between various tiers of government and these intermediary institutions. These factors vary from country to country and can be analyzed by the Bank at the early stages of project identification or even earlier, during policy dialogue, country assessments, and economic and sector work. The Indonesia Poverty Assessment and Strategy Report and the India Health Sector Study are good examples. The Indonesia report notes the contributions of community groups and suggests concrete measures that the government can take to foster community initiative and participation. The India study focuses on strategies to improve both the quantity and quality of government-NGO collaboration in health and family planning. Assessments of financial, administrative, and legal policies in particular countries allow the project team to better understand and influence the enabling environment that shapes and sometimes determines the extent of popular participation feasible within the project cycle.

Should the Bank have participation clearly and fully on its agenda? If the answer is yes, some would argue that efforts should not be limited to Bank-financed projects and the project cycle. Since formulating and influencing development policy is an area of comparative advantage for the Bank, it would be a natural focus for participatory efforts. The learning group can also study nonlending operations of the Bank, like economic and sector work, for contributions to popular participation. The Africa Long-Term Perspective Study (World Bank 1989) is an outstanding example of a participatory approach to the Bank's analytical work. Several of the selected 20 participatory projects, such as Zaire Environment and Forestry (FY 93) and Mexico Decentralization and Regional Development (FY 91), can be traced back to participatory policy studies. And, sometimes, as in the Guinea Health Project (FY 87) and Benin Health Project (FY 89), participatory projects can lead to sector reports devoted to impact assessments of participation.

### **Preparation and Supervision Time (Question 2)**

Project managers' replies to the core team's priority questions suggest that participatory operations often need to be nurtured longer than comparable

nonparticipatory operations for the same region and sector.

The economic and sector work for the Zaire Environment and Forestry Project (FY 93) was stretched over three years to ensure that all the affected constituencies could participate in the consultative process. Development of appropriate skills and management systems was also time-consuming. The Bank took an unusually participatory approach in developing the Africa Long-Term Perspective Study (World Bank 1989); the report also took much longer than usual to complete, in part because of processing problems unrelated to participation.

Organizing consultative seminars for the Mexico Decentralization and Regional Development Project (FY 91) took eight more months than were originally budgeted for preparation. The Indonesia Jabotabek Urban Development III Project (FY 91) required twice the preparation time of its predecessors because of problems in identifying appropriate community-based organizations for the project's participatory component and convincing the implementing agencies of the advantages of the community development approach to the kampung improvement program. The Madagascar Environment I Project (FY 90) took additional time to prepare because donors, borrowing governments, field officials, and intended beneficiaries disagreed on what participation meant, whom it was intended to help, and how it could best be achieved. Building trust between the parties concerned was also time-consuming.

Additional preparation time needed for field-level consultations can be reduced if these consultations are conducted through well-qualified local consultants during donor discussions with borrowing-country decision makers and implementing agency officials. In the India Maharashtra Rural Water Supply and Sanitation Project (FY 91), the implementing agency engineers were initially unable to provide designs that met Bank standards. The year and a half it took for Bank and implementing agency staff to agree on the engineering designs gave local consultants the additional preparation time needed to work on the community participation component.

Instead of attempting to create new local-level organizations and groups, project managers may save time by working through existing organizations. Existing structures represent valuable social capital and organizational resources that have stood the test of time and allowed useful tradi-

tions and leadership roles to evolve. This social capital should be bypassed only when it is clearly unsuitable for meeting the objectives of the development intervention.

Paying attention to participatory aspects upstream (preparation) often improves development impact. An interesting possibility is that this early effort reduces downstream (supervision) difficulties and delays and thus keeps the average elapsed time for the entire project cycle the same. Norman Uphoff recounts how Bank-supported urban development projects in Calcutta, India, were speeded up by participation: planning took a few months longer, but implementation was accelerated by more than a few months.<sup>1</sup> In addition, residents were willing to pay an improvement tax, helping the project mobilize otherwise unavailable resources.

Sometimes participatory projects can progress more quickly than nonparticipatory ones. Uphoff presents the Haiti agroforestry project of USAID as a case in point.<sup>2</sup> Working with NGOs and farmers' groups, the agency planted 20 million trees in four years instead of 6 million in five. Much depends on how the task is conceived and approached. In the Haiti case, for example, an anthropologist spent time with farmers *before* the project was designed to learn what they thought about the loss and restoration of trees.

Alternatively, although participation improves development impact, participation may sometimes require more elapsed time during both design and implementation. Project preparation and implementation have been initially slow in the Egypt Social Fund (FY 91) because of the project's size and complexity. Time is being invested to identify appropriate sponsoring and implementing agencies, bolster them with training and technical support, and initiate a process of consensus building, strategic planning, and coordination between them. Time is also being used to create an enabling environment for popular participation in Egypt—decentralizing government policies and practices to complement the Social Fund as it finances local initiatives.

Project managers sometimes face pressures to deliver the lending program that are not always sufficiently balanced by pressures and incentives for quality impact. This was a prominent complaint from project managers at a recent Asia Region workshop on popular participation. It also seems to have been a factor in the case of the Guatemala Social Investment Fund (FY 92). The

Bank and the government both pushed hard to get the fund approved a few months before the national election. The Guatemalan association of NGOs withdrew its support because it thought the fund's initial commitments would be politicized, and the Guatemalan Congress also balked.

The investment of financial resources should be regarded as facilitating rather than causing development, putting the imperative to "move money" in a different light. Providing pressures and incentives for quality impact can help reorient staff performance. Procedurally, providing preproject funding for community organizing and consulting activities could lessen the burden of "speed" on the project process. Participatory projects usually need preimplementation experimentation and community organizing activities. This implies that Bank-supported projects should either recognize that full implementation and disbursement can be delayed by the need for experimentation and community organization or seek preproject funding (from the Bank's Project Preparation Facility or other agencies, for example) for these activities during the project preparation stage. Because having a committed but unused Bank loan incurs costs (commitment charges), drawing on the Bank's Project Preparation Facility is preferable. The Asian Development Bank has used its grant technical assistance funding for such preparation activities, but the World Bank does not have a similar facility.

On the other hand, in the case of the Romania Health and Rehabilitation Project (FY 91), there is a real need for speed to prevent a virtual collapse of the health care system, and the elapsed time between identification and Board presentation will be only about 10 months. The project manager is determined that the project will nevertheless support a more participatory approach to health care because of the strong government and popular commitment to a less state-dominated approach. The Bank has avoided imposing its own conditions but is supporting consultations, less state-dominated planning, and experiments to foster community initiatives.

### Costs to the Bank (Question 3)

Many project managers argue that there are extra costs to the Bank of ensuring participation in Bank-supported operations.<sup>3</sup> However, preliminary anecdotal evidence from the 20 participatory projects suggests that the Bank may be spending no

more of the staff and consultant budget on the preparation and supervision of participatory projects than on comparable nonparticipatory projects.

One way to judge the cost would be to compare the coefficients for preparation and supervision for each of the 20 participatory operations to the averages for the same region and sector. Admittedly, regional differences will sometimes skew the results, and the approach may not be valid for certain projects, such as the Egypt Social Fund (FY 91), with very broad coverage.

Some of the project managers of these 20 participatory projects have found creative ways to get around the limited Bank budgetary resources available for supporting participation. In the Guinea Health Project (FY 87), for example, extra missions were undertaken in order to set up participatory aspects, but these extra missions did not entail additional staff hours. The Guinea project staff hours did not exceed the average for preparation of similar health projects because care was taken to keep the size of each mission smaller than average. By keeping each mission small, the project manager did not overload local consultations with outside experts.

Another successful strategy employed by Bank staff has been to seek additional staff support for participatory aspects from other international agencies. The United Nations Development Program (UNDP)-World Bank Water and Sanitation Program, for instance, provided many staff weeks in 1990 for operations support in community-based project preparation, at no direct cost to the Bank. Longer preparation and start-up periods for the Egypt Social Fund (FY 91) have driven up costs, in the form of additional missions and staff resources. However, the UNDP has provided substantial financial assistance to defray the costs of consultants needed during preparation. For the Africa Long-Term Perspective Study, Nordic, Dutch, and German donors established trust funds to commission the preparation of background papers by distinguished Africans.

Finally, the costs of arranging for participation (usually local costs) may be borne by project implementing agencies. In the Mexico Decentralization and Regional Development Project (FY 91), for example, increasing participation in preparation entailed significant costs. Each of the four seminars used to prepare this project in a participatory way involved travel and living expenses for about 500 officials. State governments and federal agencies bore all the expenses.

The costs to the Bank of supervising popular participation in some of these 20 operations appear higher than supervision costs on other projects, at least initially. Every additional dollar for supervision is being paid for by borrowing countries—and if the Bank advocates “leanness” to bureaucracies in developing countries, it has a concomitant obligation to optimize on its own supervision staff weeks.

But if paying attention to participatory issues upstream reduces difficulties and delays downstream, then participatory projects should be cheaper to sustain in the long run. People are more likely to support, manage, and contribute to projects that take into account their needs and preferences. The cost of field presence, sometimes essential to supervise participatory aspects, can be reduced by contracting local staff (as was done in the Bank’s resident mission in India) while maintaining strong support from headquarters.

While there are costs to supporting participation, the Bank should also take into account the costs of *not* providing for adequate participation. Such costs include the lack or misuse of facilities, poor maintenance, deterioration of infrastructure, and program decline. These costs can be attributed, in part, to lack of investment in processes that give people influence in decisions that affect them. The literature recounts many cases of development interventions that typify the prevalent trend in designing and implementing externally assisted projects. These projects ignore local needs and preferences and, therefore, have disastrous outcomes (see, for example, Niehoff and Anderson 1964; Kottak 1985; Coward 1985; and Cernea 1989). Rather than viewing cost narrowly in terms of the expense of preparing and supervising participatory components, evaluators should see it in terms of net project benefits reduced by project shortcomings that arise from poor, hasty, nonparticipatory preparation and supervision. (Question 21 focuses on some of the issues relating to the net benefits of popular participation.)

Three preliminary hypotheses on costs to the Bank are emerging:

- There are frequently added costs to designing and initially supervising participatory operations.
- Some ways exist to defray these added costs, in a limited number of instances.
- The real question for the long run is to identify the net benefits from participatory practices (as

well as those who benefit and will therefore contribute, even if marginally, on a sustained basis).

### **The Skill Mix Needed for Participatory Development (Question 4)**

Some members of the learning group argue that the Bank needs more staff with expertise and experience in institutional and sociocultural aspects of development. The focus on participation may require a marginal shift toward hiring more anthropologists and sociologists. There is a need to bring on board specialized experts in these areas who can promote new thinking and act as catalysts for mainstreaming participatory approaches in the Bank. The project teams that have prepared and supervised almost all the selected 20 participatory operations have been multidisciplinary. In addition to economists and engineers, each team has included at least one social scientist (usually hired as a consultant, sometimes locally).

Expertise in any one academic discipline does not appear to be critical for promoting participation in Bank-supported operations. To date, participatory approaches seem often to have resulted from the personal commitment of individual project managers, whether these have been economists, financial analysts, urban planners, sociologists, engineers, anthropologists, demographers, management experts, public administrators, lawyers, psychologists, political scientists, or architects. The support of senior managers has also been important. In the development of the Guinea Health Project (FY 87), for example, the Bank project manager acted as an interlocutor between the people, as represented by the village health committees, and the government health experts. Culture and technology were blended together by the catalytic action of one committed staff member. Although a number of Bank staff were skeptical of the wisdom of pursuing a participatory approach while the project was being prepared, the persistence of the project manager won over his senior managers, and the Board was very much in favor of this process.

If it can be demonstrated that individuals with certain characteristics are essential for the success of participatory projects, then the presence of those characteristics should be a criterion in the selection of many Bank staff. And if it can be shown that the motivation and skills in question are acquired rather than inherited, it would be useful

to identify what in these individuals' previous experience makes them people centered. This may help the Bank recruit more staff that behave this way. Project managers have identified cultural sensitivity, negotiating skills, vision, perseverance, conviction, and practical work experience in community development as some of the character traits central to the development of the 20 selected participatory projects.

The critical skill that seems to be missing in the background of most Bank staff—regardless of academic origin—is practical work experience with participatory development. Indeed, some engineers, economists, and financial analysts in the Bank have had more experience in this area than some sociologists and anthropologists who have never worked at the grass-roots level.

Since the Bank's ability to hire new staff is limited, a major challenge is how to reorient existing staff. There are four broad ways: through incentive systems, promotion, training, and NGO-Bank staff exchange programs. The incentives under which Bank staff work need to be explored in relation to participation. If participation requires more elapsed time or resources, it may conflict with pressure to keep to timetables and deliver projects with limited administrative budgets. Some people argue that existing incentives largely reward bureaucratic performance—measured by such achievements as the approval of a loan or the number of economic and sector work reports issued—instead of recognizing the real measures of the Bank's achievement: poverty reduction, environmental protection, and economic growth in the borrowing country. Sometimes efficient administrative performance in the Bank fails to coincide with the desired impact on client countries.

Incentives do not necessarily have to be remunerative. Signals and recognition from senior management are as important. Maximizing the visibility of "participation pioneers" who have already successfully incorporated participatory approaches into Bank-financed operations would be a step in the right direction.

Given that the Bank's hierarchical structure is extremely "flat," the scope for promotion to senior management positions (division chief and above) is limited. What typically happens is that staff who are performing well soon reach a *de facto* ceiling in terms of promotion, after which they can be rewarded only by relatively limited discretionary salary increments. In this situation, one of the strongest instruments available to management in

influencing organizational culture and values is the decisions it takes concerning promotions to senior positions. Consequently, in order to change the behavior and values of Bank staff and managers, one important reform would be to modify existing promotion criteria to explicitly reward individuals with previous field experience who have pioneered the operationalization of participatory approaches in the Bank.

Supporting popular participation in large-scale development activities is a complex and difficult process. While the Bank-wide learning group must promote participation awareness and reforms within the Bank and borrowing countries, it could also organize training for other Bank staff in the professional and personal skills needed to promote participation in Bank-supported operations. The learning group can initially build upon existing training activities, such as ongoing seminars on macroeconomic reforms, to help project managers learn how to make structural adjustment programs participatory.

One way of exposing Bank staff to participatory approaches is to create a limited number of permanent positions in the Bank's operational departments that would be filled on a rotating basis by staff from indigenous NGOs. The International Economic Relations Division of the External Affairs Department has a small program through which NGO representatives from developing countries work in the Bank for four to six months. A representative from an Indian NGO, for example, studied 18 recent Bank-financed projects that were participatory and suggested steps to stimulate further interest in community participation within the Bank (Nagle and Ghose 1990). The other side to this arrangement can be the exposure of Bank staff to a period of grass-roots work in NGOs, as part of the training for the Young Professional Program, for example, as well as at the mid-career level. A few Bank staff have availed themselves of this opportunity to work for Save the Children, Women's World Banking, and the Aga Khan Foundation.

### **Field Presence and Participation (Question 5)**

Preliminary anecdotal evidence from a few of the selected 20 Bank-supported operations highlights the importance of Bank field presence in the form of project managers, resident mission staff, and local consultants. But there is no solid evidence

yet on the cost-benefit ratio of supervision conducted by resident missions and local staff. This issue is to be investigated systematically in the Asia regions, and perhaps Bank-wide, in the coming months.

The UNDP and the European Community (EC), for instance, seem to have an advantage in funding small-scale projects through the same government unit used to fund NGOs in the Bank-supported Togo Grass-roots Development Initiative (FY 89). This advantage stems from the proximity and flexibility of UNDP and EC project managers, who are based in resident missions, as compared with Bank project managers, who are usually based in Washington. It remains to be seen if the appointment of the Bank's resident representative in Togo as the new project manager will significantly lower costs, increase client satisfaction, or produce more effective monitoring because of his proximity to the 20 microprojects and the prospective clients.

Preliminary evidence from 2 of the 20 projects indicates the importance of the on-site presence of the Bank project manager. The extended field presence of the Bank project manager helped institutionalize participatory processes in the implementing agency of the Mexico Hydroelectric Development Project (FY 89). Staff based in developing countries appear to be critical to the success of the projects included in the UNDP-Bank Water and Sanitation Program. This program financed the position of Pakistan country coordinator in Islamabad, for example, to help develop community aspects not only of the Rural Water Supply and Sanitation Project, funded by the International Development Association, but also of other water projects in Pakistan.

The Agriculture Operations Division, Africa-South Central and Indian Ocean Department, is making an effort to shift human resources to the field. Two agriculture service specialists spend most of their time outside the resident mission on field tours, supervising extension projects where they count: in farmers' fields. In terms of policy impact, the benefits of this approach may be at least fivefold: (1) visible field results can provide a powerful stimulus for institutional reforms, (2) field results can provide the grounds for a more meaningful dialogue with the government, (3) field results can also make discussions with other donors less confrontational and more pragmatic, (4) field knowledge can be key to identifying sound new projects, and (5) field knowledge can be instru-

mental in resolving certain issues rising out of other sectoral and macroeconomic reform interventions. In the early stages of pilot extension projects, like the Zaire Environment and Forestry Project (FY 93), the statistical indicator of development impact is the number of trial plots established by farmers. This number, although it represented only an intermediate result, amounted to thousands in Zaire in 1991 and was easy to count.

A critical issue is the kind of World Bank field presence necessary for participatory projects. It may be useful to study whether participatory Bank-supported operations have a better chance of working in countries where they can be nurtured by a Bank resident mission and local staff. According to the project managers, the Bank's resident missions were instrumental in developing participatory management systems for the Zaire Environment and Forestry Project (FY 93) and the Nepal Community Hill Forestry Project (FY 90). A small resident mission is expected to open up in Cairo in late 1992; one of its primary functions, long advocated by responsible Bank staff and involved cofinancers, will be to help supervise and implement the Egypt Social Fund (FY 91). NGOs urge the Bank to rely on local people who, because of local experience and ties, tend to be more accountable to clients, more subject to local pressures, and more established in local communication networks and to staff resident missions accordingly. The Bank has recently hired a local expert to help supervise the Mali Education Project (FY 89).

A full-time Bank field presence may also have its disadvantages. Continuous field presence may bring the project manager too close to the project's day-to-day problems. Bank staff may perform tasks that government agencies should be doing themselves. Sometimes government officials regard a full-time Bank presence as interference in their internal affairs. The resentment they feel could lead them to take Bank advice for granted or ignore it. Often, borrowing governments pay more attention to visiting missions than to staff who are permanently in residence.

In such cases, a Bank presence may be less important than Bank involvement with a network of persons committed to success in participatory projects, including some key government officials, NGO personnel, academics, and donor agency representatives. One or two committed Bank staff working as part of such a network could contribute to the development of participatory processes without being continuously in a country—pro-

vided there are people in the borrowing country who have commitment and continuity. What seems crucial is the development and diffusion of powerful ideas and shared values that permeate the bureaucracy and animate the intended beneficiaries. Bank participation in such an effort may be more important than presence per se. The revolution in communication systems, which has the potential to bring the Washington-based Bank much closer to borrowing governments, NGO networks, and even local communities, may eventually lead to an electronic network.

### Staff Continuity (Question 6)

Bank staff usually take up different appointments within the Bank every three to five years. One hypothesis yet to be tested by the Bank-wide learning group is that frequent rotation of staff is detrimental to participatory operations, while continued staff involvement leads to more effective outcomes. The project manager's continued involvement with the Philippines Communal Irrigation Development Program since 1978 has contributed much to the working relationship between the Bank, the government of the Philippines, the National Irrigation Administration, and the Ford Foundation.

Some project managers admit that continuity is a great asset but point out that staff rotation occurs in the Bank frequently. For example, the original project managers of the Indonesia Jabotabek Urban Development III Project (FY 91), Togo Grassroots Development Initiative Project (FY 89), Mali Education Project (FY 89), Madagascar Environment I Project (FY 90), Egypt Social Fund Project (FY 91), Ghana Structural Adjustment III Program (FY 89), and Romania Health and Rehabilitation Project (FY 91) have all taken up new positions since the beginning of the learning process.

In the Bank, there will always be tension between the conflicting goals of ensuring continuity and supporting institutional and career goals. Without a dramatic change in the incentive system (for example, promotion beyond level 24 is difficult without cross-regional or cross-complex mobility), rotation will often take precedence over continuity. Therefore, it may not be helpful to suggest that staff be wedded to a participatory project throughout its lifetime, because such a recommendation could discourage staff from including participatory components. But while individuals must move, some attention should be paid to whether

they move too frequently in the Bank and how to alter this frequency.

Steps can also be taken to ensure that the experience gained by project managers during project preparation is not lost to their successors during supervision. Perhaps the responsibility and accountability of project managers who are moving on is as important as continuity. With the project manager system comes the obligation of handing over the project effectively. In the case of a participatory operation, this means ensuring that the new project manager gains the trust of and the necessary commitment from the borrowing country partners.

Project managers can be encouraged to keep some personal notes that document, step by step, the "kitchen work" they have done throughout the project cycle to foster the incorporation of participatory approaches. These notes could address their work in the Bank as well as with borrowing governments, implementing agencies, and indigenous NGOs. The notes would give a more concrete content to the lessons they pass on to their successors, putting emphasis on the how-to side. Questions such as the following need to be pursued systematically if the approaches that the 20 projects highlight are to be shared with other staff: How did project managers gauge implementing agencies' potential for engaging in participatory work? How did they choose which allies to work with? What processes did they utilize to build consensus in borrowing countries?

Finally, if preparing and supervising participatory processes require special commitment and skills, then these talents should be recognized, developed, rewarded, and, most important, institutionalized. The Bank should also consider practical methods that can be adopted to improve institutional memory (beyond kitchen notes or hand-over measures) and what can be learned in the workshop from the experience of other development agencies.

### **Building on Small-Scale Efforts (Question 7)**

The UNDP-Bank Water and Sanitation Program has developed a series of relatively small-scale projects, some of which are now being replicated in larger-scale Bank-financed projects. The resettlement operation in the India Upper Krishna Project (FY 89) began with a small pilot operation to test and reform government resettlement policies. The Togo Grass-roots Development Initiative Project

(FY 89) started with two allocations from the Special Project Preparation Facility before growing to the scale of an International Development Association project. The Zaire Environment and Forestry Project (FY 93) benefited from anthropological and ecological research efforts by small-scale NGOs in the Ituri wildlife area. Building on these efforts, the project was developed as a four-year pilot that could test replicable participatory management systems.

The Bank's strength appears to lie more in appraising and financing rather than in innovating and implementing at the microlevel. Thus, the Bank may best support participation when it can "buy into a good thing," not necessarily create it. This may variously involve:

- Identifying and understanding successful small-scale efforts led by other institutions
- Scaling up small efforts
- Nurturing small-scale efforts and increasing their numbers (as is being done by the Egypt Social Fund [FY 91] and Honduras-Social Investment Fund [FY 93]).
- Recognizing that local-level initiatives are often designed to be small scale and site-specific and do not necessarily lend themselves to scaling up or multiplication.

In the case of the Philippines Communal Irrigation Development Program, the Bank financed the scaling up of participatory pilot projects that were a product of the partnership between the Ford Foundation and the National Irrigation Administration. But scaling up the successful pilot projects turned out to be a complex and difficult process. The Bank had to learn to scale down its operations in order to successfully scale up someone else's participatory effort. This meant starting small, adapting, learning from doing, and growing at a pace responsive to demand and capacity. For example, the total area being covered under the program was deliberately reduced from the 46,000 hectares in the Philippines Communal Irrigation Development I Project (FY 82) to the 25,000 hectares in the Philippines Communal Irrigation Development II Project (FY 90) so as not to overload the implementation capacity of the National Irrigation Administration. It was argued that the lessons learned from a smaller second phase could be more broadly applied in a follow-up phase once implementation capacity had been increased.

Frances Korten of the Ford Foundation recommends that the Bank-wide learning group also concentrate on the impact of loan size on popular participation.<sup>4</sup> She argues that in many Bank-financed projects, the pressure to lend has swamped others' small-scale efforts to promote participation—efforts that are input intensive and do not cost large amounts of money.

Participatory projects or project components (especially of NGOs) are typically inexpensive compared with capital-intensive physical infrastructure projects because they consist of assistance in organizing and sensitizing communities and because the projects are committed to developing community self-reliance—as opposed to dependence on external resources—which is probably the main source of sustainability of the best participatory projects. Projects in which participation is central—projects in which sustained, not subsidized, adoption of new practices by clients is the central objective—may often have difficulty finding items against which to disburse large sums without destroying the self-reliance they are trying to instill (although the list of items to finance in previously marginalized regions is usually long). Therefore, the size and rate of disbursements must be realistic compared to project objectives and implementation schedules. It is critical to pay attention to these issues up front.

Achieving this may call for modifications in typical Bank procedural requirements. In the Philippines Environment and Natural Resource Management Project (FY 91), a follow-up to the Philippines Central Visayas Regional Project (FY 83), the project manager is attempting to (1) limit the "handouts" that project beneficiaries usually receive; (2) make disbursements nonautomatic (for example, not targeted to specific communities, whether or not these are located on target sites); and (3) make disbursements the fruit of successful community organization by requiring community contributions of labor and a qualified grass-roots organization as applicant or guarantor. However, all these innovations that make the Philippines project participatory also make it low cost and slow disbursing. The Mali Population and Health Project (FY 91) and the Burkina Faso Natural Resource Management Project are also following this approach.

The Bank has some experience with small loans to final beneficiaries, especially in Bank-supported agriculture credit projects with rural development funds and urban projects designed in the late sev-

enties and early eighties. The Bank also has limited but growing experience in designing social development funds in which large amounts are channeled from the Bank to a borrowing government to a social fund. The social fund, in turn, flexibly disburses small amounts to local governments, NGOs, and community groups to support local initiatives. However, the fund often runs into problems of sustainability and coordination with line ministries.

The Bank need not wait passively for someone else's initiative but can actively encourage others' small-scale efforts by offering incentives to governments and intermediary institutions. Thus, the Bank can support promising efforts intellectually and financially through social action programs, social development funds, and close collaboration in demonstration projects with other bilateral and multilateral agencies that eventually also provide Technical Assistance Grants.

While the Bank is limited in its ability to deal directly with beneficiaries and must reach them through intermediaries, it can still sponsor pilot activities—in cooperation with intermediaries—to learn how best to promote participatory processes. This may require a considerable increase in experimentation and a willingness to modify current practice. The Bank could, for example, help establish a direct funding mechanism for intermediaries that design and implement participatory pilot schemes to test new approaches and strengthen local capacities—with or without Bank money. Bank leverage and intellect could contribute to the early stages of the process.

### **Getting Around Procurement and Legal Problems (Question 8)**

Bank staff who have been instrumental in setting up several social investment funds have experienced problems with Bank procurement and legal advisors in almost all cases. NGOs and communities may sometimes find it difficult to comply with Bank procurement requirements. For the Bolivia Social Investment Fund (FY 90), the Bank approved suitably adapted procedures for competitive bidding by local NGOs and communities. For the Bolivia Fund, the Bank approved the use of a unit-price costing system supporting direct contracting instead of open bidding. In Indonesia, where NGOs are not recognized by the central government and therefore are not allowed to compete in local bidding, the Bank encouraged management

firms to enter into joint venture arrangements with NGOs to compete in local bidding. In the Philippines Communal Irrigation Development II Project (FY 90), the Bank opted for procurement through force account (use of a government agency's own personnel and equipment) instead of competitive bidding and private contracting, especially in remote areas. This allowed government agencies to hire local labor during nonpeak seasons.

In the Mexico Hydroelectric Development Project (FY 89), the resettlement teams initially had problems using cumbersome and restrictive procurement procedures to obtain small sums in short periods. Virtually the same paperwork was required, for example, to buy a \$100 water pump as to buy a turbine. Revolving funds were subsequently developed that provided the resettlement teams with flexibility to access small amounts. Lessons learned from these 20 operations may help broaden procurement directives to include approaches favorable to small-scale programs adapted to the management capacity of local communities, NGOs, and local governments.

Another problem is the ambiguous legal status of community groups receiving grants from Bank-supported funding mechanisms. This became an issue in the Cameroon Food Security Project (FY 90). Legal issues are also at stake in the Zaire Environment and Forestry Project (FY 93), although they are not directly related to the transfer of Bank resources. In the Zaire project, legal issues focus on the rights of local communities in protected areas.

Similarly, in the Madagascar Environment I Project (FY 90), formal mechanisms are being devised to ensure that people who invest in land conservation measures can have access to future benefits from their investments. A village-level survey of the current land tenure system is under way to understand how tenure decisions are made. This survey builds on people's knowledge of the land around their communities and of traditional rights and obligations and will lead to a series of village-level discussions to determine individual rights for a specified period. Individual tenure rights agreed upon by the entire community will be recorded in official documents, accorded legal status, and updated every three years.

In the South Asia region, the Bank is making efforts to have community groups legalized so they can legitimately manage an activity and eventually own it. Three South Asian projects, the Nepal Community Hill Forestry Project (FY 90), the India Integrated Watershed Development Plains Project

(FY 90), and the Nepal Bhairawa Lumbini Groundwater Irrigation III Project (FY 95), include programs to legalize community groups.

Operational Directive 14.70 on cooperation with NGOs includes advice on appropriate procedures for disbursement, accounting, and auditing when NGOs and community groups receive funds from Bank-financed operations. Problems in this area have not been highlighted in initial discussions of the 20 Bank-supported operations in the learning process.

The Bank normally finances foreign exchange costs (although the Bank has financed a large percentage of the local costs in most of the 20 selected Bank-supported operations), while the expenses associated with participation are often local costs. In a few cases, this can become a constraint on Bank support for popular participation.

Local funding, for example, is generally not sufficient to place local-level development workers in the field to interact directly with clients. Yet field presence may be essential for promoting participatory development. In the Zaire Environment and Forestry Project (FY 93), such costs are being financed by the Global Environmental Facility or the International Development Association as part of pilot testing and research. But beyond the pilot stage, no agreement has been reached between the Bank and the borrowing government on the budget for the local-level development workers. The government has withdrawn funding for village social organizers in the Nepal Community Hill Forestry Project (FY 90).

### Pressure on the Bank from Outside Agencies (Question 9)

While the Bank has acted most often on its own initiative, some agencies have successfully pressed it to use a more participatory approach. The Bank's focus on participation is grounded in the environment assessment policy, partly because environmental groups have exerted the greatest pressure on the Bank. The Togo Grass-roots Development Initiative (FY 89) was a direct outgrowth of debates with NGOs in the NGO-Bank Committee. In the Zaire Environment and Forestry Project (FY 93), the anthropology team of the Harvard Ituri Project played a key role in pressing for effective popular participation. The network of research institutes and NGOs that worked with the National Irrigation Administration on irrigation policy helped to develop and push for a more participatory ap-

proach in the Philippines Communal Irrigation Development I Project (FY 82). Successive National Irrigation Administration technocrats might have shifted away from this approach if there had not been continuing, active interest in it from outside the agency. The UNDP-Bank-AID partnership in the water supply sector may have been able to develop new approaches partly because the cooperative structure insulated staff from pressures of business as usual.

NGO criticism of resettlement components in Bank-financed projects motivated the shift in policy in India. A case in point is the role played by NGOs in redesigning the Gujarat Resettlement Scheme component of the Sardar Sarovar project. Impetus for component redesign came partly from certain NGOs' criticisms of land allocation and programs to deal with the landless and tribes. In this case and many others, advocacy NGOs have argued that the Bank should have facilitated popular participation in decisions by making public more information about Bank-financed activities.

According to a recent internal report from the Operations Evaluation Department, when performance in the Bank-supported Northeast Rural Development Program was good, project management had often met clearly identifiable outside pressures to get things done, reach significant numbers of people, reduce costs, or be accountable in other ways. Pressure came from beneficiaries, governors, other state agencies, development banks, municipal governments, and NGOs. It helps explain some surprising bursts of good performance. Withdrawal of outside pressure explains why agencies deemed strong suddenly performed poorly.

But in a majority of the selected 20 projects, like the Nepal Community Hill Forestry Project (FY 90) and the Romania Health and Rehabilitation Project (FY 91), participatory approaches have been adopted by the Bank without pressure from other agencies. But perhaps pressures were felt by the Bank and by some key project managers and senior managers several years upstream. By now many Bank staff may already be sensitized to those earlier pressures to support participatory approaches.

Interestingly, while the Bank took the lead in setting up the preconditions for participation during the design of the Mexico Hydroelectric Development Project (FY 89), the implementing agency, Comision Federal de Electricidad (an electricity utility company), is now organizing a conference on resettlement and participation on its own, since

participation has become so much a part of the company's approach to business.

### **The Bank and Popular Pressure (Question 10)**

There is virtually no evidence in the 20 operations of efforts by disadvantaged people to pressure the Bank to empower them to make decisions. The Bank-wide learning group needs guidance to identify instruments and processes through which disadvantaged people can apply pressure on the Bank (for example, by pressing for access to information on Bank-financed operations, which, when available, could lead to greater citizen pressure on the Bank and borrowing governments for local involvement in the decision-making process).

Sheldon Annis documents the role of community-based organizations in Mexico City in enhancing the capacity of disadvantaged people to participate in decisions that affect them. Similarly, peasant organizations have actively, and at times successfully, opposed resettlement components of previous Comision Federal de Electricidad projects, creating more space for participation in the Mexico Hydroelectric Development Project (FY 89). Pressure from people themselves has helped focus national and international attention on the shortcomings of the Bank-supported Sardar Sarovar project.

Participation cannot be viewed as mere "consultation," however early in the project cycle this begins and however earnestly it is conducted. Local ownership of the development process—including the definition of development itself—is key. Effective Bank support for popular pressure must therefore welcome even instances where communities legitimately reject Bank-financed projects. Such rejection does not constitute failure but rather the success of a vigorous process of local self-development (Bhatnagar 1991).

It is also important to distinguish between active and explicit pressure and passive and implicit pressure (often the only form available to disadvantaged people). Undoubtedly, some projects have been unsuccessful because of passive pressure from intended beneficiaries and affected people who resist project interventions that do not take into account their needs and preferences. People's unwillingness to participate in such interventions sometimes applies implicit pressure on the Bank to design a project's follow-up phase in a way that responds more to demand.

After monitoring and evaluation systems installed at the beginning of the project cycle revealed shortcomings in the kampung improvement program in the Indonesia Jabotabek Urban Development I (FY 88) and II (FY 90) projects, popular participation was designed into the project cycle of the Indonesia Jabotabek Urban Development III Project (FY 91). While the kampung improvement program supported by the first two phases of the Jabotabek Project was successful in building physical infrastructure, some of the facilities were not being used, and some others had broken down because of poor maintenance and minimal participation of client communities. In order to provide the social infrastructure necessary for proper utilization of the physical infrastructure, the government of Indonesia asked the Bank to experiment with community sensitization, mobilization, and organization during the Indonesia Jabotabek Urban Development III Project (FY 91).

There seems to be a global trend toward decentralization and increased government accountability, stemming partly from higher levels of education and better systems of mass communication and partly from the brush fire of democratization sweeping developing countries. The revolution that overthrew the dictatorship in Romania set the stage for the participatory Romania Health and Rehabilitation Project (FY 91). The Nepal Community Hill Forestry Project (FY 90) was designed to ensure participation by local forest users instead of *panchayats* (local administrative and political entities). Just as the project was becoming effective, in March 1990, the *panchayati* form of government was overthrown as a result of a widespread popular uprising, and the project's approach was adopted by the new government for the entire country. The Bank's ability to respond to popular pressures in Nepal allowed it to expand its impact well beyond the Nepal Community Hill Forestry Project (FY 90).

The challenge for the Bank may well be to create an effective synergy between participatory approaches and a nonmeddling approach to governance.

### **Borrowing Governments and the Role of the Bank (Question 11)**

Projects that are supported by the Bank are not Bank projects, but Bank-financed projects. Ownership of these projects is vested in borrowing

countries and their implementing agencies. To avoid conflict between the project financier and implementor, the responsibility for implementing various aspects—including participatory components of Bank-financed projects—rests with borrowing governments. Attitudes of borrowing governments thus critically affect Bank actions to support popular participation. While in a few countries, borrowing governments have inhibited popular participation, most governments have supported participatory aspects of the 20 selected Bank-financed operations.

In certain countries, the government may not be interested in promoting popular participation or may not want the Bank to be involved in promoting participation. One of the key ministers in the previous regime in Mali temporarily squashed the participatory beneficiary assessment component of the Bank-supported Mali Education Project (FY 89) and deported the local consultant who helped design it.

After 1987 the changing political context in the Philippines had an impact on the participatory thrust of the Philippines Central Visayas Regional Project (FY 83). The election of new governors put the board of directors of the project into the hands of active politicians who sought rapid expansion of the number of project sites in order to more widely distribute project benefits. This redirected project effort away from deepening the participation of disadvantaged people in already existing sites, an effort that had reached its peak in 1986-87 under the leadership of the ACIPHIL technical support group. Disagreements with the government implementing agency resulted in ACIPHIL's separation from the project and the abandonment of the participatory approach.

There is often a disjuncture between government rhetoric supporting participation and reality. In the Madagascar Environment I Project (FY 90), for instance, the government is committed in principle to popular participation, but the Ministry of Finance is reluctant to decentralize money flows to local banks and thus prevents money from being available on time to support local initiatives. It is precisely this disjuncture that the Egypt Social Fund (FY 91) was designed to counteract—by setting up a mechanism that will eventually result in a flow of decentralized, bottom-up project initiatives too great for the government's centralizing tendencies to throttle.

On the other hand, governments in certain countries may encourage the Bank to help develop par-

ticipatory projects because government implementing agencies may not be able to deliver adequate services to poor people. The failure of central bureaucracies to respond adequately to local demand has led a number of governments, as in Honduras and Guatemala, to experiment with decentralized mechanisms such as social investment funds that provide benefits to a large number of people, increase the efficiency of public institutions, and enhance popular recognition of government achievements. Even in the Indonesia Jabotabek Urban Development III Project (FY 91), a somewhat skeptical government is willing to experiment with beneficiary involvement—carefully monitored by the Bank.

Sometimes governments support popular participation because contributions from beneficiaries and NGOs supplement the meager resources they have at their disposal for development activities. The setting up of the Punjab education and health foundations in Pakistan is a case in point. These foundations provide nonprofit health and education activities and are based on the principle of matching contributions. Where once these social services were completely government-financed, the provincial governments now provide only 66 percent of the necessary funds, and NGOs supply the remaining 34 percent from their funds. Moreover, the government is taking advantage of the current trend among donor agencies to support the plurality of institutions and the development of the nongovernmental sector by seeking external core support for these foundations. Sponsoring NGO foundations help the government augment scarce resources and provide low-cost and better quality social services to the disadvantaged.

Governments often welcome participation in this narrow sense—NGOs and people “participate” by contributing resources—and seek Bank support for it. The Egypt Social Fund (FY 91) has benefited; for example, from the vocal public support of Egypt’s president. The president’s endorsements have enhanced the project’s visibility and have mobilized government and public ownership of it. The challenge, however, still remains to sustain the good ideas in practice by progressively converting centralizing ministers and bureaucrats into more flexible public servants. In Ecuador, the current administration has adopted a more decentralized and people-centered approach to rural development. The constant encouragement of the minister of social welfare has encouraged the Bank to finance the participatory Ecuador Rural Development Project

(FY 92). Similarly, in the Pakistan Rural Water Supply and Sanitation Project, community participation strategies vary from province to province (since water is a provincial issue), according to the attitudes of key government officials. In Azad Jammu and Kashmir, for example, the director of the local government department is extremely committed to community involvement. A UNICEF-supported water supply and sanitation cell has been created within the local government department. Promoters work at the village level through village committees. The village promoters are all women, an uncommon occurrence in Pakistan. A village committee makes substantial contributions to capital costs and signs a memorandum of understanding with the provincial government defining mutual rights and responsibilities.

The Egypt, Ecuador, and Pakistan cases illustrate the importance of seeking a strong supporter in the government (a politician or an administrator) or in a large NGO to provide the leadership and drive that can greatly facilitate the adoption of a participatory approach. Key borrower actors who have the power to influence program outcome and direction can be identified by Bank staff, and their commitment to popular participation can be strengthened through a spectrum of strategies that includes education and persuasion, organizational restructuring to give advocates of participation greater influence over nonadvocates, and financial leverage. Bank staff should develop strategies for influencing commitment, often combining elements of these three approaches but always stressing the importance of a genuine dialogue where both the borrower and the Bank are prepared to listen, learn, and modify their approaches.

Sometimes genuine government ownership of Bank-supported operations makes them more participatory. One of the features that has made the Ghana Structural Adjustment Program I (FY 87) and the Burundi Structural Adjustment Loan III more participatory than adjustment programs in many other countries is government ownership of the program. Government ownership of the Ghana program has resulted in expanding the circle of those involved in the decision-making process, upgrading old channels for dialogue and seeking new ones, and making the exchange with the Bank more genuinely two-way.

The government of Ghana has had a big role in designing its reform program, at least since the adjustment phase began in 1985. While the Bank was preparing the country economic memoran-

dum that outlined its views on needed adjustments, the government set up a three- to four-month task force to prepare its own document, which included some of the most politically difficult features of the program, such as retrenchment of civil servants. The government's document and the Bank's country economic memorandum were both presented to the Consultative Group in November 1985.

When the Bank's appraisal mission for the first structural adjustment credit arrived in June 1986, the prime minister informed the mission of his plan for a week of meetings with a wide variety of government officials (not just Ministry of Finance staff), plus a representatives from the press, unions, revolutionary committees, and the private sector. These meetings were chaired by ministers, and perhaps half the cabinet took part. This unusual appraisal format may have developed partly because the government had initially taken a very different policy tack and decided to bring in the International Monetary Fund and Bank only after much internal debate. Ministry of Finance and central bank officials knew they would have to defend the program before higher political councils, and they wanted to establish widespread consensus and ownership throughout the government and with key outsiders.

Preparation of the 1985 document and consultations among an unusually wide range of government officials helped the government develop its capacity to plan certain areas of adjustment, notably in civil service and tax reform. While the first two letters of development policy were drafted by Bank staff, the third was drafted within the government. It required much revision in response to Bank comments—a somewhat painful process—but the fact that government prepared the letter's first draft indicates national ownership of the reform program.

There are a number of reasons why governments, even those that are not very participatory at the top, may find that a participatory approach produces net benefits that outweigh political costs. A participatory approach may provide (1) more accurate and representative information about the needs, priorities, and capabilities of local people, as well as more reliable feedback on the impact of government initiatives and programs; (2) adaptation of programs to meet local conditions so that scarce resources can be employed more efficiently; (3) lower cost to the public for services such as extension, nutrition, education, immunizations,

and credit through local organizations and institutions; (4) delivery of better-quality and demand-responsive services; (5) mobilization of local resources to augment or even substitute for scarce governmental resources; (6) improved utilization and maintenance of governmental facilities and services; (7) cooperation in new programs (more likely to occur when local organizations that have the confidence of poor people share responsibility for the innovation); and (8) increased public recognition of governmental achievements and legitimacy.

Governments are not monolithic; while one ministry may not be interested in exploring the potential benefits of participation, another may be. Sometimes it is critical to identify a champion of participation in the borrowing government (a politician or a senior administrator) who can facilitate the adoption of a participatory approach supported by the Bank. The commitment of key borrower actors to participation can be strengthened by Bank staff. Sometimes genuine government ownership of Bank-supported operations makes them more participatory.

The predisposition, policies, and practices of governments in affording citizens opportunities for participation are key. Without government commitment and ownership, there is little that external agencies can do to broaden and sustain participation. This assertion does not imply that external agencies should remain passive. It does mean, however, that the comparative advantage of an agency like the Bank lies in its ability to conduct a dialogue with governments about appropriate policies and methods of promoting people's involvement in the development process and ensuring that all conditions—including participation-related requirements—critical for the successful implementation of Bank-financed operations are met.

## Notes

1. Uphoff's written comments on background documents for the Bank-wide learning process, November 12, 1991.
2. Uphoff's written comments.
3. There is a distinction between the costs to the Bank of ensuring participation (that is, the staff coefficients) and of implementing participation (the actual costs to the community of time expended as well as the costs of social marketing, extension, and other activities). While total costs obviously include both, question 3 of the priority questions refers to the former.

4. Letter from Frances Korten, Ford Foundation, to Timothy Cullen, World Bank, regarding the Popular Participation Workshop, November 12, 1991.

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# 3

## *Bangladesh Rural Advancement Committee: Promoting Popular Participation*

*Fazle H. Abed*

This chapter was prepared in response to the current World Bank initiative to promote popular participation in the operations financed by the Bank. It addresses some issues relating to people's participation in development and discusses how this concept can be operationalized. In dealing with these issues, I have drawn lessons primarily from the experiences of our Bangladesh Rural Advancement Committee (BRAC). For conceptual understanding, I have used some of the propositions presented in David Korten's article (1984) on popular participation in social development. His article combines intensive analysis of development assistance programs in the Third World and focuses specifically on five Asian cases, including that of BRAC.

The participatory approach to development has now covered almost every sphere of socioeconomic development. Many national and international agencies associated with development are pursuing this concept. The most frequent users of this concept are perhaps the nongovernmental organizations (NGOs), which operate at the grass-roots level and work with the poor and the disadvantaged.

### **BRAC Programs and Popular Participation**

I would like to add a few words about BRAC's programs to illustrate how popular participation has been woven into these. BRAC is one of the largest NGOs in Bangladesh and has been operat-

ing several large-scale multisectoral programs. The programs cover various aspects of rural development, including organization development and institution building, health and nutrition, education, credit support for employment and income generation, and human resource development and skills development. BRAC programs are targeted at the rural landless poor, disadvantaged women, and children. Popular participation has been an essential element in all these programs.

BRAC's programs have expanded to almost all parts of the country. Let me give a few statistics to indicate the size and coverage of these programs. Total membership of the BRAC-organized landless groups now stands at 600,000. More than 65 percent of members are women. The Women's Health and Development Program expects to reach 3 million people shortly. BRAC's 6,000 nonformal primary schools have already taught about 180,000 children of poorer households who had either dropped out of formal schools or missed the opportunity to enroll in school. In the 1980s BRAC implemented its nationwide Oral Therapy Extension Program, which covered 13 million rural households and taught as many women how to prepare and use an oral rehydration solution. These programs have all used participatory approaches.

Popular participation, as we see it at BRAC, involves several interrelated activities. It starts with organizing the poor into village-based groups, building capacity through education and training, and teaching people to manage their own health

care, credit, and income-generating activities. This process involves people in every stage of program development and implementation. The whole process is institutionalized, and the institution-building activities are never-ending.

### **Why a Participatory Approach?**

Let me explain why we consider popular participation so important. We believe that development must be socially just, economically viable, and environmentally benign. For that, people have to be placed at the center of planning and decision making. But monolithic concepts of development have largely isolated people from the development process. Sometimes project designs neglect the social dynamics of change. Many international development assistance programs tend to bypass the people. We feel that there should be alternatives to these models.

A participatory program can provide a better alternative. It can unleash the latent energy of the people and also lead to the goal of sustainable development. Experience has demonstrated that people can devise their own development alternatives if they are allowed to make their own decisions. With support, they can also create their own resources. Let me relate our own experiences. BRAC is providing productive credit to the organized rural poor, and the total outstanding loan now comes to around \$20 million. More than 40 percent of this loan has come from the regular thrift deposits of the group members. This is a dramatic example of how the poorest of the poor can participate in development and reshape their own destiny.

Conventional models of development work largely around the "felt needs" of the people. But felt needs are not enough. Creating new need is also necessary for development of the poor. We observed that, at the initial stage of our program development, the poor did not feel the need for immunization that could save the lives of their children. They also did not think about owning irrigation tube wells that could enhance their income, make them owners of productive assets, and control a very important factor of agricultural production—water. With our help in articulating these needs, these two important components were turned into felt needs.

Popular participation can also be used as an essential tool in a program that aims to check environmental degradation. By involving the people in

social forestry and other programs, BRAC has been trying to sustain and maintain the natural balance. We have found that the traditional knowledge, wisdom, and cultural values of the local people are important. Without this understanding, we cannot effectively ensure popular participation in environmental development programs.

Sustainability should be the goal of any development effort that aims at improving the quality of life of the people. Many promising projects have withered away as soon as donor support has been withdrawn or the intervening organization has ceased its operation. These projects collapsed because the capacity of the people and their organization was not developed. Sustainability cannot be ensured without participation of the people.

These are some of the valuable lessons that we have acquired through working with the people. The central lesson is that people should be placed at the center of planning and decision making.

### **Participation: Some Specific Issues**

The World Bank seems to be particularly keen on brainstorming the following questions relating to popular participation. What are the processes of popular participation? How can it be operationalized? Does a participatory project require more time? Does it involve more costs? Does it require a different type of staffing pattern or increased staff continuity? What are the factors that inhibit or enhance popular participation? How can a project provide enough flexibility to allow for participation? I will try to address these issues from our own experience and perceptions.

#### *Flexibility*

A development project should be flexible enough in its planning and implementation to allow for participation. Flexibility leaves room for operational modifications that might be needed during the project cycle. The main barrier to participatory development lies in the prevailing blueprint approach to programming and implementation. This approach creates watertight compartments between three functions: planning, implementation, and program evaluation. Three different sets of people carry out these functions, each set in isolation from the others. "Experts" throw new paradigms of development to the planners, who formulate the project with a definite goal and time frame, adhering to detailed line-

item budgets, project plans, and implementation schedules. The implementers operationalize the project within a rigid framework, acting like contractors whose job is to complete a project following a given blueprint. This compartmentalization of responsibilities should be reduced as far as possible.

A different approach to development programming is needed for popular participation. Korten calls it the learning-process approach. Under this approach, program development progresses through stages in which the focus is always on learning to be effective and efficient. Unlike centralized bureaucratic planning, this type of development programming starts with a small project that allows the people and project personnel to share their knowledge and resources to create a program. The process emphasizes developing the capacity of the people and assisting people's organizations to grow.

At the initial stage, there may be some mistakes that can gradually be removed through a learning process. The next stage is expansion into a larger-scale operation. As organizational capacity increases, a management system develops, a cadre of workers is trained, and the program can reach wider areas effectively and efficiently. This approach is particularly useful for rural development, where the need is for an adaptive, bottom-up process of program and organizational development to fit beneficiary needs. Flexibility in program development and implementation creates room for popular participation. The whole issue of flexibility can be considered in the above context.

### *The Time Factor*

Must preparation and supervision of a participatory project take more time? Some people think the answer is yes. The four projects cited in the World Bank issue paper (chapter 2) conform to this view. However, the managers of those projects also felt that paying attention to participatory aspects improved development impact and reduced difficulties and delays.

Participatory projects normally take more time in the preparatory phase, since small-scale pilot projects must be undertaken to gain a better understanding of the program's dynamics and requirements. Thereafter, scaling up can be rapid. The long-term benefits of a participatory approach are much higher. To attain them, more time can be allowed

for a program to grow and develop. After all, it is the program's quality that ultimately prevails.

### *The Cost of Participatory Programs*

Another important issue is whether a participatory program involves more cost. Program costs may rise because of various factors, especially lack of precise planning and implementation. Poor planning with respect to strategy, manpower, input, or release of funds can cause program operations to slow down or stall. This may necessitate extension of the project cycle, which raises the costs.

These costs can be minimized by careful planning. Personnel costs can be reduced by developing paraprofessional workers at the community level. BRAC's 6,000 nonformal primary schools are run by paraprofessional teachers who are local people and draw only token salaries. BRAC's poultry workers, also paraprofessionals, vaccinate birds and do poultry extension work in return for service "fees" from the people. This strategy is less costly, and, at the same time, it involves the people in the process. The main concern, however, should be not cost but cost-effectiveness. Participatory programs are most cost-effective when they ensure real participation.

### *Expertise and Field Presence of Staff*

Another question raised is whether specialization in a particular field or a particular skill mix is needed to operate participatory programs. It may be necessary to include social scientists as well as technical hands in a project team. However, it is not skill or knowledge in an academic subject but the attitude and commitment of program personnel that are really important. The development workers must believe in people's participation as a strategic input in the development process. They must have faith in the capacity of the people and their role in development. They must believe that democratic methods are necessary for operationalization of participatory programs. They must develop the attitude of working *with* the people rather than working *for* the people.

Ensuring participation is much more difficult, so there may be a tendency on the part of development workers to take action themselves rather than allow time for the people to get involved and do it together. The creation of certain values and the development of a desirable attitude among personnel is thus necessary.

The field presence of the Bank staff is not as important for supervision if the implementing agency is a promoter of popular participation. But if it is not, the presence of Bank staff committed to participatory development may be helpful. Staff presence is necessary where participatory development is a priority.

Socioeconomic uplift programs may be supervised by people at the grass-roots level once institutional capacity has been developed. What is necessary is close monitoring of the program and sharing of the monitoring information with the program participants. The monitoring system itself can be made participatory by developing a suitable methodology. We at BRAC have initiated the process and found this approach to be useful.

#### ***Fund Release, Auditing, and Procurement***

Timely disbursement of funds is an obvious need, but it is not always met. Very often this creates a problem for the implementing organization. This problem can be solved by providing an ad hoc advance to the intervening organizations that can be adjusted later against the subsequent allotment of funds. Late funds can hurt a participatory project greatly. If activities are halted because of a shortage of funds, people may lose confidence in the project and may be less inclined to participate in the future.

Utilization of funds must be properly audited by competent firms, either local or external. The auditors must understand the dynamics of a program and its implementation procedures and should become oriented to the learning-process approach. They must point out errors or irregularities, taking into account the special dynamics of a participatory program in which program personnel are responding creatively to beneficiary needs.

The materials procurement procedures pursued by many international donor agencies are very often rigid. Strict adherence to these procedures sometimes causes inordinate delays. Popular participation requires more flexible procedures to meet the needs of the implementing agencies. Procurement procedures could be designed to incorporate needed flexibility.

#### **Mechanisms for Promoting Participation**

Various measures and mechanisms can be devised for promoting popular participation. Development should be conceptualized not as a final product

but as a process. In a country like Bangladesh, a majority of the people are poor and disadvantaged, so particular attention should be paid to these groups. Their participation should be made an explicit focus during the design phase of a program. The poor participate best through their own organizations. Once they are organized, measures can be initiated to enhance their ability to articulate their needs. Capacity building for both the people and the people's organizations must be made an integral part of the program. Popular participation is created when participatory elements are incorporated into program designs and an enabling environment is created for the poor.

Much insight can be gained about popular participation from the experiences of NGOs. By working with people at the grass-roots level, NGOs have acquired rich experiences in social mobilization, group dynamics, and methods of involving people in development. NGOs and other people's organizations can be included in policy dialogue and the formulation of practical methods. NGOs can also have a role to play in training government officials to become more participatory in implementing their programs. We at BRAC have valuable experience in collaborating with government departments to provide such training. Our experience suggests that effective government-NGO cooperation increases the efficiency and quality of government programs.

Another mechanism for promoting popular participation in Bank projects is research. More research should be undertaken to demonstrate the economic benefits of participatory projects. Studies on successful participatory projects can do much to increase the knowledge and receptivity of Bank staff. Experimentation is another mechanism needed for development design. As indicated earlier, program development should follow a learning-process approach that will result in a sound and viable program. The process implies experimentation, and the people must be made partners in the experimentation, working like a team with program workers. Both groups will learn and improve their ability this way. The World Bank could encourage its staff to experiment with more innovative strategies and mechanisms. For that, they would need more time and resources.

#### **Conclusion**

Greater understanding of the requirements of the learning-process approach is needed by interna-

tional funding agencies. Popular participation can be promoted only when the capacity of the people and their organizations is properly developed. A portion of the fund portfolios should be earmarked for capacity building, institutional development, and experimentation.. Flexible funding is needed that allows program operation over a longer period, say five to 10 years. This will help capacity building, organizational development and smooth transition of a project from the experimental stage to large-scale expansion. Continuing attention to staff development through action-based learning is necessary. Support fo research and management development must be integrated into the program. These are some of the constant elements of the learning-process approach to popular participation.

The World Bank should be a genuine partner in participatory development. This will necessitate some changes in the role and culture of the Bank. Experimentation should be encouraged to discover innovative paths of development. Bank staff can be motivated to put more effort into participatory development if the Bank offers an incentive package for participatory projects. The focus should be on creating an enabling environment for promoters of popular participation.

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# 4

## *International Fund for Agricultural Development: Experience with People's Participation*

*Pierre Spitz*

### **The Use of Participation Terminology in IFAD**

Over the years, participation has become a key word in the policy of the International Fund for Agricultural Development (IFAD). As participation is a notion that is not devoid of ambiguities, it has, not surprisingly, been used in IFAD's literature and practice with different meanings, explicit or implicit. At the least significant level, participation has been used to mean "taking part in an activity." According to this broad definition, someone who is involved in an activity that stems partially or totally from the existence of a development project is said to "participate" in the project. To state that someone participates in a project has, in addition, a positive connotation. Hence, there is a certain circularity in the arguments about participation at that low level of significance: "beneficiaries" of a development project, by definition, "participate," and by receiving some reward for this can be said to participate in benefits.

Participation is not mentioned in IFAD's "Lending Policies and Criteria," written in 1978, nor in the first two IFAD annual reports (1978 and 1979). But several paragraphs are devoted to participation in the 1980 annual report. The text makes several uses of the word; one, which corresponds to the meaning above, refers to "the institutional framework for the participation of the target group in the development activities and the benefits that are to be generated by the project." This formula-

tion does not imply any specific or more or less equitable sharing of benefits, nor does it imply that beneficiaries have a say in the project's design or in the decision-making process during project implementation. It is, however, easy to understand why IFAD started to use the participation terminology in such a broad sense.

It was, indeed, becoming more and more apparent in the mid-1970s not only that many rural development projects were not benefiting the poor but that some projects were even having a negative impact on income distribution. It was largely in response to that situation that IFAD was set up. Its mandate, shaped by the 1974 World Food Conference, recognizes the necessity to improve "the nutritional level of the poorest populations in developing countries and the conditions of their lives." The project criteria, formulated in 1978, include this statement: "The Fund will not normally finance projects and programs whose overall impact on income distribution is negative." Trying to reach the rural poor, bring them some benefits, and avoid worsening their economic position in relation to other groups were objectives seldom stressed before the early 1970s. They were certainly never addressed in a systematic manner in an institution specially created for this purpose.

Since IFAD needed to stress during these early years that its development projects would not bypass the rural poor but, on the contrary, would make them their specific targets, it was natural for IFAD to state that the poor were "participating"

in the projects and in the expected benefits. Now that IFAD's terms of reference are well established, such a broad use of the term weakens other, more significant uses. However, it might still be tempting to use the broad meaning in relation to women, for the same general reason as the one outlined above: rural development projects have too often ignored women and in many cases have continued to erode the economic position and/or social status of the poorest women, particularly women heads of households. IFAD is trying to remedy this situation and involve women in projects that will benefit them. IFAD's 1980 annual report spoke of "the objective of increasing the participation of women in rural development through including features and components in projects, which are of special interest to rural women, and in some cases, by designing subprojects, for the benefit of rural women." The text refers to women for whom subprojects are designed without mentioning whether women are contributing to project design or are even consulted. In order to improve IFAD's approach to participation, a more rigorous discipline is necessary in using terminology and in defining practices.

To avoid such ambiguities in meaning, all forms of the term "participation" should be used only to signify that, at the minimum, intended beneficiaries are consulted during the project design so as to take into account their felt needs, aspirations, and capabilities. Such consultation is the first step of a participatory approach, a democratic process in which people, particularly the weak and the poor, are not passive recipients of a development project at the end of a top-down approach but are asked to identify their needs, voice their demands, and organize themselves to improve their livelihood with the help of the financial, technical, and human resources offered by the development project.

### **Introduction: A Personal Approach to Participation**

Before embarking on IFAD's role in promoting people's participation and answering some of the 11 questions asked, I wish to give my own point of view on what could or should be a participatory approach in IFAD's projects. In so doing, I am not in any way committing my colleagues or the institution itself.

Five years ago IFAD investigated the possibility of providing project designers and managers

with a field guide for participatory rural development. This proposed guide was written in detail, discussed, rewritten, and rediscussed but never saw the light of the day. There was no clear decision to abandon the idea; the project was simply dropped for lack of forceful support. With the benefit of hindsight, it might be said that the guide probably was not readily accepted because of its "maximalist" approach. So many conditions were listed for true participation (from benevolent governments to fully committed animators), and so many detailed instructions were given in the 50-page document that any project designer or manager would probably have been discouraged after reading a few pages. Some of the most forceful proponents of such a maximalist approach place participation in a paradise, not on earth. Others feel so strongly about the ideals of participation that they see no place for true participation in projects engineered by IFAD's highly hierarchical structures and cooperating governments. The maximalist and nihilistic attitudes have the same result: to confine participation to a happy few in socially virgin territories. Institutions such as ours would do better to ensure for every project and program a minimalist approach and move gradually toward higher degrees of participation.

### ***Consulting People on their Needs and Aspirations: A Minimalist Participatory Approach***

The best reason for a minimally participatory approach is not philosophical, ideological, or political, but practical: in order to avoid a total failure, project design must consider the needs, aspirations, potential, and willingness of the intended beneficiaries. People should therefore be consulted. This requirement constitutes the minimum level of a participatory approach, and should be met in all development projects. It allows projects to be shaped according to their cultural and political contexts, and makes it easier to assess differences in the perceptions, values, and attitudes of such various actors in project design and implementation as project designers, governmental agencies, nongovernmental organizations (NGOs), IFAD target groups, and cofinancing institutions like the World Bank and the Asian Development Bank.

Some of those groups may have conflicting opinions about the project objectives or the best means to achieve them. There is often a cultural

dimension to these differences, depending on the values attached to economic variables (such as relationships between consumption and investment, or savings propensity); social variables (such as relationships between and within social classes, or gender and age); and to ecological variables (relationships between different social groups and their environment, often mediated or permeated by religious beliefs, attitudes toward climatic fluctuations, and weather risks). A participatory approach does not mean that project designs should accept all the views of the people concerned. It means that differences of opinion should be made explicit and debated. If, at the end of the process, agreement cannot be reached, decisions are nevertheless made, with all parties fully aware of the issues at stake.

In some cases, differences in perceptions, values, and attitudes are obvious, as are those between foreign experts and local people or between ethnic minorities and a dominant social class. Some differences, however, are often of a more subtle nature and are linked to urban or rural origin or to educational and professional background. Last but not least, social actors, groups, or individuals also often have different and often conflicting interests that help shape their perceptions of what is desirable for them and for others.

It is therefore necessary to get, at the design stage, the best possible assessment of the possible conflicts the project could provoke that might jeopardize its implementation. Once the project starts, perceptions, values, and attitudes can change in unpredictable ways; monitoring and periodic evaluations should take great care of such changes. In every IFAD project, the needs and aspirations of the intended beneficiaries should therefore be identified not only *before* the project, but also *during* its implementation.

### *Selecting Informants for Project Design*

Since every intended beneficiary cannot be interviewed, the consultation process relies on individuals chosen by project designers as representative of the relevant socioeconomic categories. A random choice is possible only if households are already listed. Since this is rarely the case, households for individuals are picked in a haphazard way that introduces biases. Typically, men are interviewed rather than women, and people living along the road rather than far from it. Depending on the timing of interviews in rela-

tion to the agricultural calendar and the hour of the day, some social categories will be overrepresented or underrepresented among those who are willing to speak out and have the time and motivation to do so.

In a rural area, outsiders are immediately spotted and become the subject of keen interest. Villagers in a position of power have a vested interest in knowing if the arrival of newcomers signals a danger or an opportunity. The generally close relations of these villagers with local authorities give them privileged access to information; they are able to manipulate potential informants accordingly. In a conventional development project that aims at global results (like increasing agricultural production) without paying special attention to distributive and equity aspects, planners often underestimate the importance of reassuring local power elites. Many failures of such projects stem from this neglect of elementary precautions in approaching societies that are far from homogeneous.

These precautions, however, are of the utmost importance to an IFAD project that aims to benefit the poorest members of a society by means of a participatory approach. Short of undertaking a socioeconomic survey and systematic perception study, it is useful to involve in an identification mission a socioeconomist or a sociologist/anthropologist who knows the local sociocultural context well and can identify, through the established methods of a social feasibility study, the needs, perceptions, and aspirations of IFAD target groups as well as the socioeconomic and cultural constraints and obstacles. More than the academic background of the mission members, what matters is their openness to different sets of values and rules of conduct, their respect for a society that is not their own, their interdisciplinary outlook, and their willingness to identify links between technical, economic, social, cultural, legal, and ecological factors.

Considerable experience and knowledge of local sociocultural circumstances are also required to analyze project design and the output of informal collective discussions with intended beneficiaries during the course of project implementation. Social rules related to gender, age, and status govern oral expression and must therefore be made known to project staff with the help of a competent, preferably local, sociologist/anthropologist. Some latent conflicts may be easy to identify, for instance between different ethnic groups, between

original settlers and newcomers, between agriculturalists and pastoralists, and between landowners and agricultural laborers. Some other conflicts require a deeper understanding of the local society and could become visible only during project implementation. In the preproject phase, collective discussions may not reveal them by tacit agreement: people could be reluctant to bring conflicts before outsiders lest they jeopardize social coexistence.

The mission member in charge of sociocultural aspects must be given sufficient time to capture the relevant social processes occurring in the project area. There is no normative definition of sufficient time. The time needed depends on the mission member's previous knowledge of the area and the complexity of the issues. Ideally, a social scientist who knows an area well should be allowed to spend a few weeks in the field, perhaps with a small team, before the mission arrives. All efforts should be made to identify in the country a university team (professor and students) or a research team that could interact with a local NGO that has the right credentials. (See "Screening Other NGOs" below.) The team could contribute to the shaping of the project and be invited, periodically, to follow its implementation. This arrangement could help the project benefit from the local scientific community while allowing the scientific community to benefit from its association with a "live" development project that does not necessarily illustrate development economics textbooks. Once the groundwork has been carried out by the local team, the mission's social scientist should spend time in the field rather than in ministries, even if that means the mission members do not interact every day. It has often been observed that, in rural areas, the arrival of a mission accompanied by officials has an impact that does not facilitate an understanding of the social realities. A rapid socioeconomic appraisal should therefore be conducted before the arrival of the main mission group.

#### *Screening "Traditional" Rural Organizations*

At a higher level of intensity, a participatory approach attempts to identify existing forms of local social organization that could take some responsibility in project design and implementation. The sociologist/socioeconomist/anthropologist in a design mission has the crucial task of deciding to what extent existing organizations can help target

groups voice their needs, make proposals, and take some responsibility for implementation. Some organizations have ancient roots and might be called, for convenience, "traditional organizations." Some others owe their origins to more modern types of groups such as farmers' organizations or cooperatives. However, to attain the project objectives, it might be necessary to promote new groups shaped in a specific manner. Participation is often perceived only in the context of "group formation," although it may take place without group formation. Conversely, group formation does not necessarily imply participation. Credit groups, for example, exist only as long as credit is available and have no say in the terms and conditions of credit delivery.

Many villages, especially in Africa, still form traditional communities characterized by close-knit social systems of clans, lineages, and extended families. The indigenous chiefs are powerful and "their" poor people are overdependent upon them. Will such chiefs give their consent and support for a project specifically designed for the poorer people? The required support, advice, and assistance from the elites is indeed often important. In many cases, local chiefs and elders are prepared to support project actions for the rural poor groups as well as the delivery of the required services and facilities to these groups. The so-called "traditional" systems should not be viewed as static, however. They can change as a result of emerging social forces and the conflicts these forces create.

In order to obtain the support of the local traditional, administrative, and other influential leaders in the project's entire action area, such leaders must first be systematically sensitized to the participatory approach through meetings, initiation workshops, and other actions taken by project designers. Local leaders must be convinced that it is in their own short- and long-term interest to support a project aimed at the rural poor and that better-off inhabitants will also yield economic and social benefits. The sensitization campaign must be area-wide so that it becomes more difficult for nontarget groups to oppose the project's special attention to target groups.

#### *Screening Farmers Organizations or Cooperatives*

Existing farmers organizations such as cooperatives, rural workers' organizations, and trade

unions must be screened according to IFAD's objective of alleviating rural poverty. Do they represent IFAD target groups? Unless a national farmers organization caters specifically in its mandate and activities to a social category that is part of the target group, it is rare that the interests of target groups are well represented.

Now that national farmers organizations are using participation terminology more and more to increase their legitimacy with potential donors, it is essential to determine how much of their claim is genuine or whether they are just using a new language to cover old practices. Too often, in the name of increasing farmers' participation, larger farmers frequently derive most of the benefits, to the detriment of small farmers and agricultural laborers. Sometimes large farmers label themselves small farmers for the occasion. Conflicting interests are obvious in relation to land reform or to agricultural wages. Increasing agricultural input subsidies or producer prices mainly benefits larger farmers. Furthermore, it should not be forgotten that in many developing countries IFAD target groups are hurt by food price increases, since these groups are net buyers of food, either because they are smallholders and do not produce enough for themselves or because they are landless and do not produce at all. Terms of exchange between cereal and livestock or fisheries products are largely governed by the relative bargaining power of the producers involved, most often in favor of the politically strong cereal producers. It is often a rather elusive goal to identify farmers' organizations which, at the national level, genuinely and forcefully defend the interests of the rural poor. But, at a subnational or local level, there are many such organizations that can play a positive role in IFAD's projects.

The same can be said about cooperatives. The history of the cooperative movement unfortunately shows that the ideals of solidarity and social equity have often been betrayed in large, elite-dominated cooperative structures. It is relatively easy for the more powerful interest groups in rural areas to capture control of cooperatives, particularly credit cooperatives.

The involvement in IFAD projects of such well-established organizations, with their permanent staff and offices, has to be considered with great caution. A participatory approach requires that precise rules be established to safeguard the interests of IFAD's target groups and ensure that they are the main beneficiaries of the intended project.

### *Screening Other NGOs*

Nongovernmental organizations consist of all kinds of groups—small and large, national and international—having the most varied objectives. Their negative definition means they do not constitute a neat operational category. This negative definition itself is open to discussion, since some national farmers organizations or cooperative unions are de facto parastatals.

In practice, it is essential to identify in the project area NGOs that share the objectives of the project and might therefore support it in a number of ways. The project location itself might even be chosen because of the activities already carried out by NGOs in the area. When IFAD refers to the importance it gives to NGOs, it does not mean all NGOs, but only those that are genuinely committed to serving the rural poor. NGOs must be selected according to their antipoverty orientation. These antipoverty NGOs should have enough organizational flexibility to be innovative, regardless of their other characteristics of size, staffing, or funding.

The previous experience of antipoverty NGOs in the project area could provide excellent ideas for identifying key features of project design. The entire antipoverty NGO may even be willing to become part of the project, if this is practical. Such a close association between a project and an NGO requires a careful appraisal of mutual benefits and costs for project implementation. In addition, the institutional sustainability of the project must be analyzed with great caution. On many occasions, outside resources have played a negative role by raising the expectations of NGO cadres in terms of remuneration, security, logistics, and so on. If economic sustainability is not ensured, a psychological "ratchet effect" on commitment and dedication is likely to impede a return to previous levels and styles of operations, thus jeopardizing institutional sustainability. Most often, however, only certain tasks are entrusted to antipoverty NGOs so as not to create imbalances within the organization, either in the present or the future.

### *Group Formation and Institutional Reorientation*

In many cases it will be necessary to form new groups fitted to the project objectives. Group formation should be a slow process, taking into account cultural, social, economic, and ecological

variables through a constant and patient interaction between the project unit, group promoters, and the target groups. Such groups could be formed for credit purposes, or they could be water users' associations, herders' groups, fishermen's groups, cooperatives, and so on. Cohesion, sustainability, and access to decision making will differ depending on the type of group activity and the diachronic process of group formation.

The emphasis often given to group formation should not distract attention from other participatory approaches such as reorienting government institutions and parastatals so that they can take greater care of the rural poor. In the case of agricultural research and extension, a participatory approach means not only responding to the needs of small farmers or poor pastoralists; it also implies recognizing the value of their technical know-how and their knowledge of the environment and building two-way channels of communication between researchers, extension agents, and farmers, with special attention paid to resource-poor farmers.

#### *Participatory Rural Development: A State of Mind*

Participatory rural development should not be viewed as a set of techniques but as a state of mind reflecting a deep-rooted respect for the values and creativity of others. Participation implies that people sharing common problems should voice their demands and work together toward solutions. Depending on the issue being tackled, the new grouping could be made according to social class, ethnic or religious group, gender, age, or other category. Women's issues in the context of rural poverty deserve a careful analysis of the very diverse conditions poor rural women face in different regions, societies, and ecologies. General statements related to poor rural women cannot do justice to the complexity of the situation.

A participatory approach needs to recognize—as many have increasingly recognized during the last decade—that there is no universal development model. Each IFAD project must be designed to fit its own unique political, cultural, economic, and ecological circumstances, with the rural poor at the center of the stage. There is no participatory approach without first and foremost recognizing the potential creativity of the rural poor and making them not the objects but the subjects of development.

#### **Some Observations on IFAD Participatory Projects**

For the purposes of this section, IFAD's Regional Divisions were asked to provide a limited list of projects that they consider highly participatory (see annex 1). The extremely short time available did not allow the divisions to answer the Bank's priority questions in detail. But the writers have spelled out the main participatory aspects of each project according to perceptions. This material has been screened according to the "minimalist" approach spelled out in the introduction, and a few elements have been added from project evaluations. (See "Implications of Participation for the Project Cycle as a Whole.")

#### *Implications of Participation at the Design Stage*

Out of the 13 projects selected, two did not feature a participatory approach in project design. These were projects in Guatemala and Peru in which participation was developed during project implementation. In relation to the other 11 projects, four answers mention only that socioeconomic studies were conducted; four, that "discussions with the beneficiaries" were held (often in addition to socioeconomic studies); three, that consultation took place. Mention only of studies generally connotes a top-down approach to project design that tends to persist in implementation. In other words, beneficiaries are investigated or "sensitized to the project's strategy and objectives," which are defined without the beneficiaries' help. The operations staff nonetheless consider such projects participatory because they involve groups or village communities. As this chapter's introduction makes clear, the author does not view the involvement of groups or village communities as a sufficient condition for participation, because groups may be deprived of real access to the decision-making process of the project's management or because village communities may be totally dominated by a few leaders.

In three of the remaining seven cases in which discussions or consultations were held—projects in Morocco, Lesotho, and Kenya—more details are given. In Morocco, four years were needed to develop the Livestock and Pasture Development Project in the Eastern Region. During the first two years, the Livestock Department of the Moroccan Ministry of Agriculture and Agrarian Reform ini-

tiated the organization of pastoralists into Range User Associations through lengthy consultations and negotiations with tribal assemblies. The two following years were devoted to project design. In Lesotho, the identification mission of the Local Initiatives Support Project was fielded in 1983 and began with local consultants undertaking a review of experiences of previous development projects. The findings were presented in seminars to national and district officials. Subsequently, informal village meetings were held in the proposed project area and discussions were conducted with the intended beneficiaries (the "target group") in selected villages. From the beginning of the identification mission to final approval, the whole process took 38 months—that is, a little longer than most projects. But the delay between approval and effectiveness was particularly short—three and one-half months—as the participatory process caught up quickly. Elsewhere, this has not always been the case. In Morocco, for example, the project referred to above required more than one year to become effective, even after four years of groundwork. In Kenya, the Farmers' Groups and Community Support Project was designed on the basis of the experience of a pilot project in one district. The pilot project, designed to be implemented over two years at a cost of \$1.9 million,<sup>1</sup> took five years to be implemented. This slowness must be related to the problems of introducing a participatory approach to development in a traditional bureaucracy. The pilot project provided an opportunity to change the attitudes of government implementing agencies. The project nevertheless took more than 10 months after approval to become effective.

In the Soil and Water Conservation and Agroforestry Program in Lesotho, the design provided for demand-driven extension/research services. The client-demand approach introduced by the project entails getting the farmers to express their own needs and learn how to take advantage of extension staff services and technical innovations that can improve their farming practices. Great emphasis has been placed on on-farm demonstrations, and groups have been established to implement and discuss such trials. The extension staff are undergoing a training program to make them more farmer-oriented. Farm trials include results from research stations as well as improved traditional practices provided by farmers themselves. The project design included comprehensive discussions with village communities and extension

officers. It is described in the project write-up as time-consuming and relatively costly.

The project formulation of the Integrated Rural Development Project in Dominica was done with the direct participation of village representatives. The project manager was identified and joined the project during the design stage; he played a key role in project formulation. Land distribution and settlement of the landless or near-landless on two former estates followed a largely participatory process that gave the settlers a strong sense of ownership. However, the project did not provide for other very meaningful participatory activities.

The design of the Thailand Agricultural Diversification and People's Irrigation Project in the North did not require an unusual amount of time or resources, because the traditional and indigenous People's Irrigation Associations (PIAs) were already in place in the project area. Emphasis was placed on the establishment of formal linkages of these PIAs with government services. The United Nations Development Program (UNDP) provided a technical assistance grant of \$300,000 for the study, which explored the institutional aspects of farmers' participation in PIAs.

Project design was described as not having necessitated any special effort related to the participatory nature of the project in the En Nahud Cooperative Credit Project in Sudan and the Tamil Nadu Women's Development Project. The reason is probably that these projects were built on already existing structures—cooperatives in the Sudan and the Tamil Nadu Corporation for the Development of Women in India.

In the answers related to the other projects, there was no direct mention of any specific feature of the design process (time, costs, or skills) as being related to the project's participatory nature. This may reflect the nature of the participatory dimensions of the projects selected. When project designers build on existing groups or propose to form groups on the basis of socioeconomic studies, they do not require extra time, resources, or special skills because there is no participation of the intended beneficiaries in the project's design (except in a few cases) and there is no actual group formation in the preinvestment phase.

#### *Implications of Participation at the Implementation Stage*

Most of the answers received on the implications of participation at the implementation stage

are framed in negative terms—that is, they claim that the implementation of participatory projects does not require increased attention, supervision, or resources. However, the allocation of resources may be slightly different. For instance, it is stated that the implementation of the Tamil Nadu Women's Development Project has not been more complicated or required more intensive supervision but has necessitated devoting more project resources to training, technical assistance, and local staff salaries than might be the case in less participatory projects.

The Lesotho Local Initiatives Support Project stands out as having been specifically described as requiring a higher-than-average input in design and supervision activities. The write-up on the Kenya Farmers Groups and Community Support Project states:

Beneficiary participation generally creates supplementary delay in project implementation, especially during the first years, because it constitutes a long process of awareness building with implementing officers and beneficiaries. Experience during the first phase shows that project implementation accelerates considerably once the beneficiaries are convinced of their empowerment of self-determination.

In addition to explicitly mentioning empowerment (the only mention in the 13 answers received), this comment raises the issue of the placing of the participation-building phase in the project cycle. If the project builds on existing participatory structures (like cooperatives in the Sudan or irrigation associations in Thailand), there are no inherent delays as a result of a participatory dimension either in the design or implementation phases. If participatory structures have to be built in, should they be developed in the preinvestment phase (eventually using some grant funding), or should their development be part of the investment phase? Building them in at the design phase takes more time and resources, but implementation might be faster and smoother. Waiting for the investment phase might mean that design would not require more time and resources, but delays could be experienced during implementation. Indeed, the actual choice depends on the nature of the project, and the wide variety of situations should be kept in mind in order to avoid making over-hasty generalizations.

As stated above, two of the 13 selected projects did not have a participatory dimension at the design stage. In the case of the Guatemala Generation and Transfer of Agricultural Technology and Seed Production Project, some farmers were simply consulted by the design missions. The project document included only artisanal seed production and on-farm trials. The real change began in 1986, one year after effectiveness, with the creation of a network of farmers' representatives elected by their communities and included as part-time workers in the National Extension Service. These farmers started to hold discussions with the community, identify their needs, and transmit proposals to extension service experts. The National Research Service's annual plans have been modified accordingly to adjust to farmers' requests. The whole process took several years to develop. It was helped by supervision missions, which reportedly were no lengthier or costlier than usual.

In the case of the Cusco Arequipa Highlands Rural Development Project, the design provided for participation only to the extent that free labor and raw materials were provided for use in two projects' infrastructural works. The initial approach was modified by the collapse of the official extension service. The peasant communities started to prepare their own extension program and asked the project to establish in the field small multidisciplinary extension teams. Several farmers were also hired as members of such teams to work on seed production, animal husbandry, health, and water and soil management.

#### *Implications of Participation for the Project Cycle as a Whole*

In the gradualist approach referred to earlier, empowerment of the project's beneficiaries corresponds to the highest degree of participatory intensity. Empowerment must be related to accountability. To participate in a genuine way in rural development projects, the rural poor must be empowered with resources and particularly information. One way to achieve this is via participatory monitoring and evaluation systems.<sup>2</sup> These were the focus of the 1991 Panel on Monitoring and Evaluation Systems of the Administrative Committee on Coordination (ACC) Task Force on Rural Development, convened by IFAD. Last, but certainly not least, the more the institutions delivering services are accountable to the intended beneficiaries, the greater the probability that these ser-

vices will satisfy the beneficiaries' needs. This approach has been followed in some new projects, including those in Guatemala and Peru, after government extension services proved unsatisfactory in previous experiences.

The Oaxaca Integrated Rural Development Project offers an interesting example of Water Users' Associations that were not contemplated at project design but were developed during implementation. Years after project completion, they are still collecting fees that are being used for maintenance. This project is of particular interest because it was originally designed with the participatory approach developed for the PIDER projects at the end of the 1970s. Implementation during its first years used a top-down approach. Years later a more participatory approach incorporated several activities that did not appear in the project design but in which the beneficiaries showed a very keen interest. This example might serve to illustrate the evolution (not always positive) of the participatory approach, even within the life span of a single project.

One recent experience of a high level of participation in the design process is in the proposed Ngobe project in Panama. The Guaymi population was not very satisfied with the last project, the Rural Development Project for the Guaymi Communities approved in 1983. The evaluation of this project recommended that a new project incorporate participation from the design phase. As a result, the Guaymi people became very involved, to the extent of having representatives on the project preparation team itself. They named the project "Ngobe," after the name they call themselves, thus signaling that they consider it *their* project—not merely a project *for* them, as in the previous case. While such participation in project design is highly desirable and should become an objective in all cases, it is neither a necessary nor a sufficient condition to ensure people's participation during project implementation. In fact, we have seen projects that were designed with the active involvement of the population concerned but that during implementation were not allowed by the project manager to develop participatory features. On the other hand, some projects that were not designed in a participatory manner have nevertheless created opportunities for participatory implementation because of the efforts of sensitive project managers or through the promptings of international institutions involved in the project.

Practitioners concerned with participation are sometimes very keen on developing methodolo-

gies, techniques, and procedures. This arises partly from dissatisfaction with the rhetoric of participation, which is difficult to translate into actual practice. But even without a "participation algorithm," a participatory perspective can sometimes become a source of insights and recommendations in very concrete contexts. For example, the Second Agricultural Rehabilitation Project in Mozambique had an important role in increasing the availability of inputs through imports. Nevertheless, the project faced a recurring problem of overaccumulation of unsold stocks of inputs. The standard explanation was that the overaccumulation of stocks was caused by the farmers' lack of purchasing power, particularly in the context of the price increase associated with the liberalization process. However, the mid-term evaluation showed that an important additional cause for the difficulties associated with the delivery of tools to the target group had to do with the inadequacy of the type of tools that were being imported. This, in turn, could be explained by the lack of systematic knowledge of the various needs of the Mozambican small farmers. Imports were decided on the basis of arithmetic calculations combining data on stocks and a mechanical extrapolation of needs, without farmers' participation. The related recommendation called for increasing the purchasing power of the target group, either through credit or subsidies. However, an alternative recommendation of the evaluation mission was to propose a more participatory approach, using an active analysis of farmers' real and evolving needs. This approach would have made the farmers not merely the targets but also the joint partners in the rural development project.

The approach delineated in this chapter may be described "as an approach of the possible," since it emphasizes the various possibilities for participation. Sometimes these are created during the design process and developed or aborted during project implementation. Sometimes these are not encouraged by the approach followed during project design but emerge during implementation, either because of a more participation-friendly sociopolitical environment or because of the intervention of a project manager with a participatory style. This approach of the possible may be contrasted with the maximalist view, which asserts that participation either takes place in *all* phases of the project cycle or does not take place at all, and with the nihilistic view, in which no participation is possible in the framework of rural development projects funded by international agencies. It is in-

teresting to note that the practical consequences of the maximalist and the nihilistic views are almost identical. It is also important to differentiate the approach of the possible from the voluntarist view, which contends that participation will take place if it is desired by project designers and managers. The approach of the possible view recognizes that there are limits (and also possibilities) for participation and that the scope for participation may change as time passes and different social processes take place.

## **Notes**

1. The findings, interpretations, and conclusions in this chapter reflect the views of the author only and should not be attributed to IFAD. All dollar figures in this chapter are expressed in U.S. dollars.

2. This section has greatly benefited from contributions of Osvaldo Feinstein, Senior Evaluation Officer, IFAD, who led the evaluations of the three projects mentioned.

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# 5

## *The Swedish International Development Authority: Experience with Popular Participation*

*Anders Rudqvist*

This chapter recounts the experience of the Swedish International Development Authority (SIDA) with popular participation, against the background of the main objectives of Swedish development cooperation. First, it relates SIDA's policies and program planning procedure. Subsequently, it discusses participatory experiences in SIDA-financed programs by posing the World Bank's priority questions on participation to a selection of SIDA officials.

Since its start after World War II, Swedish development assistance has built on the commitment to the Third World already existing among churches, popular movements, and nongovernmental organizations and has enjoyed wide popular support. More specifically, there are five main objectives of Swedish development cooperation accepted by all the parties of the Swedish Parliament: (1) resource growth, (2) economic and social equalization, (3) economic and political independence, (4) democratic development of society, and (5) sustainable use of natural resources and protection of the environment. The emphasis placed on the different goals, however, has varied over time as a consequence of the changing political and economic circumstances in Sweden.

SIDA's "changing roles policy," formulated in the beginning of the 1990s, commits the agency to encouraging recipient countries to take over responsibility for program implementation and to limiting its own role to one of strategy and support. The new policy is meant to reduce bypass prob-

lems, facilitate program takeover by host-country institutions, and increase program sustainability. The policy should also allow SIDA to handle an increasing development cooperation budget under severe staff restrictions.

SIDA's *Strategy for Rural Development* (SIDA 1981), worked out toward the end of the 1970s, attempted to put the goals for Swedish development cooperation into action. The target group for cooperation was roughly defined as the 40 percent of the population with the lowest income in the least developed countries (according to the UN classification) and one-third of the population with the lowest income in other countries. The democracy goal is interpreted as popular participation in the development process, implying mobilization and participation of the target groups in planning and implementing development programs. Popular participation in Swedish development cooperation can be viewed, with reference to the democracy and equity goals, as an objective in itself—that is, a basic democratic right that should be promoted in all development projects. It is also considered a means of increasing efficiency, effectiveness, and sustainability in development projects.

The bulk of Swedish development assistance is allocated to program countries involved in long-term cooperation with Sweden. Country allocations, or "country frames," are granted to these countries, and the country programming, carried out in a dialogue with recipient countries, fills the

frames with projects and programs. The final product is a development cooperation agreement with the respective country covering one, two, or three years. Agreements often state the general aim and direction of the cooperation for longer periods (five to ten years). This system allows a relatively high degree of flexibility. Continuous readjustments can be made within the frames in accordance with needs arising in project or program development.

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 and the Development Cooperation Offices in recipient countries 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. The existence of the Swedish development goals and SIDA strategies and guidelines on rural development and popular participation has been essential in facilitating the dialogue with recipient country authorities and project staff. The conception and content of participation generally have not been determined from the beginning and from the top but have been shaped and extended in the course of project development. Such trial-and error processes frequently extend over several years.

SIDA field presence and staff continuity are required because vital inputs for planning and implementation of participatory programs can be obtained only through direct contacts with the field. Field presence and staff continuity also facilitate the accumulation of knowledge and the establishment of trust between project parties. Participatory projects demand more time and resources for planning and preparation than others, but SIDA officials agree that these initial investments pay off later in terms of improved project impact and sustainability. The costs and benefits of participatory projects, however, have not been systematically evaluated, probably because of technical difficulties associated with measuring the qualitative, long-term aspects and effects of participation. One of the most urgent tasks at present seems to be the development of quantitative and qualitative techniques for assessing the costs, benefits, and long-term effects of participatory projects.

Interviews with SIDA officials point to three important obstacles to a wider and more systematic application of participatory approaches:

- The efficiency criteria and incentives of development agencies tend to favor easily quantifiable goals, such as planted areas and annual yields, over the vaguer accomplishments of participation. Thus, popular participation as a "software component or activity" is accorded lower priority, less time, and fewer resources.

- Popular participation tends to be local cost-rather than foreign cost-intensive, needing a long disbursement time for project activities. These characteristics may frequently be difficult to reconcile with donor incentives and efficiency criteria—that is, the pressure to spend large amounts of money in short periods of time.

- The poor and disadvantaged groups do not usually express a demand for participation openly because these groups lack a voice and channels for their demands.

One way to solve the first problem is to influence decision makers in donor and recipient countries through the development and systematic application of quantitative and qualitative assessments of costs and benefits of participatory projects. Such assessments and practical project experiences can provide new arguments and incentives for participation. The same course of action may also help overcome the second problem, although modifying criteria, incentives, and vested interests will be more difficult here. Regarding the third obstacle, one way to give voice to the disadvantaged and poor is to establish mandatory grassroots consultations (involving decision making and initiatives) from the beginning and in each phase of the project cycle.

## Background

The idea of development assistance in Sweden emerged after World War II and continued to gain ground during the 1950s. It built primarily on the humanitarian commitment to the Third World already existing among churches, popular movements, and nongovernmental organizations, and it enjoyed a wide popular support beyond these groups. From the beginning, solidarity with the world's poor became the cornerstone of Swedish development cooperation. Government Bill 1962:100 stated the overriding goal of Swedish

development assistance as "raising the living standard of the poor." This statement is still valid as a general development objective (see Wilkens 1990).

Development assistance during the 1960s and 1970s became the international dimension of the national policy for equality between social classes and groups that characterized Sweden (at least ideologically and rhetorically) for most of the post-war period. Sweden's lack of a colonial past in the Third World increased the country's credibility in promoting such objectives as democracy, independence, and equality in development cooperation (Wilkens 1990). Independence and equality were viewed not only as desirable values per se, but also as necessary prerequisites for overcoming the tensions and injustices in the distribution of resources brought about by various forms of colonialism. Freedom, peace and resource growth were regarded as indivisible and universal values.

### Objectives of Swedish Development Cooperation

Swedish development cooperation has five objectives accepted by all the parties of the Swedish parliament. These goals are:

- Resource growth
- Economic and social equalization
- Economic and political independence
- Democratic development of society
- Sustainable use of natural resources and protection of the environment.

These objectives are interrelated and at times mutually supportive. But in certain situations they can also be at odds with one another, giving rise to intricate trade-offs. In practice, the emphasis placed on the different goals has varied over time as a consequence of the changing political and economic circumstances in Sweden.

In accordance with SIDA's changing roles policy, formulated in the beginning of the 1990s, Swedish development cooperation now concentrates on analysis, direction of effort, follow-up, and evaluation as well as on analysis and feedback of experience. The policy is intended to encourage recipient countries to take over responsibility for implementation. Capacity building will become central not only to field activities but to SIDA itself. Procurement, recruitment of experts, and program implementation is to be handled pri-

marily by recipient country authorities, and SIDA's role will be of a strategic and supportive nature.

One reason for the change in policy is that bilateral donors have tended to become increasingly involved in implementing and supporting programs for quite extensive periods of time, frequently bypassing the institutional and organizational structures of the recipient countries. This has delayed the takeover of the programs by host country authorities and, in general, decreased the chances for long-term program sustainability.

Another reason for the change in strategy is the hiring restriction—imposed on SIDA by the Ministry of Finance—that bars the agency from expanding its staff to meet the administrative and operational demands of the ever-growing Swedish development cooperation budget.<sup>1</sup> SIDA has so far attempted to handle the increasing volume of development assistance by contracting with "institutional consultants" (academics at Swedish universities trained in such disciplines as agriculture, forestry, social anthropology, economics, engineering, and fishery maintenance) and private consulting firms.

But there are drawbacks to such arrangements. The goals for Swedish development cooperation suggest that much effort should be devoted to areas that may not be top priorities of governments in recipient countries. Examples of such areas are environmental concerns, gender issues, human rights, and popular participation. Since SIDA is no longer present to the same degree during program implementation, the changing-roles policy may increase the risk that priority goals will achieve less attention than before. It will therefore be essential for SIDA to develop efficient procedures for "direction of effort, follow-up, and evaluation" of SIDA-supported development projects in the future.

### SIDA's Strategy for Rural Development

Toward the end of the 1970s, SIDA's Agriculture Division (now the Natural Resources Management Division) developed a *Strategy for Rural Development* to guide its work (SIDA 1981).<sup>2</sup> This strategy is specific for SIDA in the sense that it takes the goals of Swedish development cooperation as its point of departure. The Agriculture Division felt a need to define these goals more specifically and operationalize them in order to underline their importance and increase their influence in the selection, planning, design, and

implementation of Swedish development activities and programs.

Operationalizing the goals means redefining them so they can be observed and measured. This permits an assessment of the extent to which development cooperation contributes to their realization. The strategy also specifies that a well-conducted problem analysis is a precondition for the design of different development efforts, so that growth and other goals can be achieved. A comprehensive problem analysis (involving social, political, and cultural factors) is regarded as more important than an exclusively economic analysis.

The strategy distinguishes between three dimensions of equality: equality of income and property; equality of utilization of social services such as education, health, drinking water; and equality of social status and political influence. Equalization of income can be achieved through redistributing ownership and dispositional rights to land, capital, and other productive assets. In many developing countries, such redistribution does not occur. If the equalization goal is to be achieved in such cases, the income of the poorer strata must increase more rapidly in other ways than the income of the wealthier strata. The full implications of this very ambitious development goal seem to have escaped many Swedish planners and decision makers, and the goal has been reached in very few, if any, Swedish development projects.

The strategy also attempts to define, in operational terms, the target group for Swedish development cooperation. The point of departure was that Swedish assistance should be focused on the poor in developing countries. A relative criterion of poverty was applied and modified to take into account differences in absolute income level between groups of countries. The target group was thus roughly identified as:

- The 40 percent of the population with the lowest income in the least developed countries (according to the UN classification), and
- The one-third of the population with the lowest income in other countries.

The strategy also contains guidelines, or action principles, for problem analysis in connection with the identification and design of rural development projects or programs. These action principles emphasize the importance of considering the multi-dimensional character and the interdependence of

rural problems and the level at which rural problems are identified, as well as the practical consequences of the analytical approach chosen.

The strategy interprets the democracy goal rather narrowly as popular participation in the development process. This implies mobilization and participation of the broadly defined target groups in the planning and implementation of development projects and programs.

In Swedish development assistance, popular participation can be viewed, with reference to the democracy and equity goals, as an objective in itself—that is, as a basic democratic right that should be taken into consideration and promoted in all development projects. In this sense, it constitutes part of an overall process in which democratic development means not just changes at the macro level (seizure of the government's central power and subsequent changes of political or economic systems and regimes). For political conditions to change in a more fundamental way, a great many social, cultural, and even personal relationships must be democratized at the micro, grass-roots level (Hirschman 1984, p. 96).

Evaluations by the World Bank and the Food and Agriculture Organization have demonstrated that projects with a participatory approach tend to be more cost-effective and sustainable in the long term (Cernea 1987). Such studies provide an empirical foundation for another, more utilitarian or instrumental justification for popular participation—that is, as a means to increase effectiveness, efficiency, and sustainability in development projects. This argument, too, is conveyed in the strategy; popular participation is viewed as a means to achieve such goals as resource growth, economic and social equality, and sustainable use and protection of the environment. We believe that this argument and the argument for popular participation as a democratic development goal are complementary and equally valid as foundations for the promotion of popular participation in development projects.

One of the main problems affecting the implementation of SIDA's *Strategy for Rural Development* was that it provided no directives or methods to operationalize popular participation in planned or ongoing development projects. Therefore, the Agriculture Division in 1986 commissioned the Development Studies Unit of the Department of Social Anthropology at Stockholm University (1990) to carry out a research and development program on popular participation in rural development.

Among the objectives of this program was the preparation of guidelines and fieldwork methods for popular participation in Swedish development cooperation (see Rudqvist 1991).

### SIDA's Program Planning Procedure

In order to answer the priority questions below, it is necessary to briefly describe the programming procedure for Swedish bilateral development cooperation. The bulk of the assistance is distributed among the program countries for Swedish development assistance.<sup>3</sup> These countries are involved in long-term cooperation with Sweden. Based on SIDA recommendations, the Swedish parliament grants subappropriations of the development cooperation budget (so-called country allocations or country frames) to each of these countries, taking into consideration their political and economic situations as well as their need for and ability to take advantage of international development cooperation.

Once Parliament has granted appropriations for the bilateral development cooperation, it is SIDA's task, together with the program countries (or other recipients) to ensure that Swedish resources are used to promote development in accordance with SIDA's objectives and guidelines. The technical procedure for filling the country allocations with projects and programs is called country programming (Rylander 1983, pp. 37-42). The underlying principles of this procedure are designed to:

- Facilitate the integration of Swedish assistance with the recipient country's own development resources and enable the recipient country to influence the orientation and content of development cooperation
- Provide Sweden with a better basis for its decisions on development cooperation
- Simplify the procedures and administration of development cooperation
- Speed up the utilization of resources, for example, by making it possible to reallocate resources in order to satisfy urgent program needs.

The point of departure for the country programming cycle is based on general ideas of and experiences with the orientation and characteristics of development cooperation with a particular country and involves the requests from the recipi-

ent country. The process evolves in the form of a continuous dialogue between the parties and results in a proposal for resource allocation to various activities.

The final product is a cooperation program to be negotiated by the respective governments and concluded in a Development Cooperation Agreement covering one, two, or three years. (A one-year agreement covers indicative plans for the two fiscal years following the year covered by the agreement.) Agreements may frequently state the general aim and direction of the cooperation for longer periods (of, say, 5 to 10 years).

The system is a kind of rolling planning and budgeting procedure that allows a relatively high degree of flexibility, in that basic budgetary frames are allocated for different purposes. Within these frames continuous readjustments can be made to fit needs that emerge in the development of a given project or program.

Mechanisms for adjustment are annual reviews, so-called technical reviews, and project monitoring systems. It should be noted that, in accordance with SIDA's Strategy for Rural Development, one important input for planning and adjustment should be opinions and suggestions from project beneficiaries, obtained through different forms of target-group consultations during consecutive phases of the project cycle. Feasible entry points in the project cycle for consultations and for new or extended participatory approaches are the annual or technical reviews mentioned above.

### Priority Questions on Popular Participation

In order to cover the World Bank priority questions on popular participation, we interviewed key SIDA staff with experience in various participatory SIDA projects. The range of their experience enabled us to draw on a wider variety of projects; unfortunately, these cannot be described individually in any detail. We will rather attempt to illustrate general problems and patterns that confront the agency and are raised by the priority questions.<sup>4</sup>

*Question 1: Do some of the projects selected suggest ways to provide flexibility to allow for popular participation without changing SIDA's normal project cycle?*

The general opinion among the interviewed SIDA officials is that SIDA's normal project cycle constitutes no great obstacle to the flexibility

required for a participatory approach. SIDA's country programming procedure constitutes a reasonably flexible system that is basically acceptable as an instrument for participatory project planning and implementation.

The existence of clearly formulated policies, strategies, and guidelines for project planning that explicitly refer to popular participation is also considered helpful, not only for SIDA officials, but also for authorities and counterparts in recipient countries. Such policies and guidelines help identify common or contradictory interests from the beginning of a project and enable recipient country agencies and institutions to elaborate project plans and proposals that are compatible with the goals of Swedish development assistance.

It was stressed that one of the most important advantages of country programming is that it implies long-term cooperation and a continuous dialogue between SIDA and the recipient country. This is particularly essential with regard to the promotion of popular participation. In several cases, it has been necessary to prod initially reluctant recipient country authorities to accept a participatory approach and try to gradually modify negative attitudes through long-term dialogue. This has been the case, for instance, in the SIDA-supported Social Forestry Program in India (Bihar, Tamil Nadu, Orissa), where the Forestry Department has cooperated in initiating bottom-up planning and projects that once focused primarily on planting have been broadened to include soil conservation, water supply, and social activities as well. Because the local people initially associated the forestry authorities with supervisory and repressive functions hard to reconcile with participatory approaches, SIDA first sought to influence attitudes toward forestry and local people high up in the Indian bureaucratic system. Second, it tried to educate Ministry of Forestry staff at the local level. The rather modest changes achieved so far have required much time and persistence. SIDA has been involved in the program for 10 years. Long-term presence and persistence are preconditions for establishing relations with counterparts who can help bring about change in attitudes and participatory approaches.

In the SIDA-supported forestry programs in Nicaragua and Viet Nam, popular participation has been included as an important program component from the planning phase. The conception and content of participation, however, have not been determined from the beginning but have been

shaped and extended in the course of the gradual development of the projects. In the Health, Sanitation, and Water Program in Tanzania, for example, popular participation has developed through a trial-and-error process that extended over approximately six years and in which the persistence and continuity of the SIDA policy have proven important. SIDA officials stressed that it is not fruitful in this context to elaborate detailed blueprint designs for popular participation at the project planning stage because these would be both impractical and contradictory to the very spirit of participation.

Although SIDA's normal project cycle is considered a fairly flexible setting for participatory approaches, SIDA officials appear preoccupied with the changing-roles policy and the stepped-up hiring of private consulting firms for project implementation. The changing-roles policy implies that more of the responsibility for project implementation will be transferred to institutions of the recipient country. This may seem commendable as a general principle but may have negative consequences with regard to participation if the development policy of a given recipient government does not give priority to this issue.

Presently, SIDA officials at headquarters and in Development Cooperation Offices exert considerable influence through their continuous presence and participation in program implementation. If this presence is reduced, participation may be less forcefully encouraged. This potential problem could be aggravated by increasing use of private consulting firms, which do not always have sufficient capacity or competence to deal with popular participation. Even if participatory aspects are included in the terms of reference, the incentives and efficiency criteria for such firms tend to favor easily quantifiable activities and goals (such as planted areas and annual yields) over "software" components such as popular participation.

*Question 2: Is more-than-average elapsed time typically required for preparation and supervision of SIDA-supported participatory operations?*

It is generally agreed that participatory projects require more than the average elapsed time, particularly for planning and preparation. The Farming Systems Program in Zambia (and some other countries in eastern and southern Africa) was mentioned as a case in which a new participatory approach met with initial difficulties

and required ample time at the beginning but subsequently worked smoothly.

The SIDA officials interviewed agreed unanimously that the initial time and resources invested in participation tend to pay off later on in the form of improved project impact as well as project sustainability. Involvement of the project beneficiaries at the stage of needs and problems identification enhances the possibilities of selecting relevant project components and activities and of developing effective problem solutions. Beneficiary participation and influence during project planning and implementation create commitment, facilitate the final takeover of the project by the beneficiaries and their organizations, and thus foster long-term project sustainability.

In India's Social Forestry Program (referred to earlier), the main problem in this regard has been that the recipient country is not willing to allow sufficient time for participatory planning and preparation. This reluctance stems from the demands for "efficiency" that prevail at high levels in the bureaucracy. Areas planted and funds spent are the criteria of efficiency, rather than quality of project impact and sustainability. When foreign currency is scarce in the recipient country economy, there is additional pressure for "blowing up" program budgets, and planting is an activity that easily allows such budget increases. In Orissa, for example, the Forestry Department wanted to double the project budget during a foreign currency crisis and use the proposed increase for planting. SIDA strives to slow down and diversify program activities, but the Forestry Department wanted to pursue exclusively a strategy of massive tree planting. SIDA has made some headway in convincing the Forestry Department to modify its policy, but in times of economic crisis, budget cuts are decided at the central level. These cuts invariably affect low-priority activities such as popular participation and education of local forestry staff. The program has evolved in a process that often involves taking two steps forward and one step back.

SIDA officers also complain that even if staff is willing and aware of the importance of preparatory diagnostic studies and local-level consultations, sufficient time and staff resources are generally not available to permit diagnostic studies or consultations during the planning and preparation phase. This is also a reason for the trial-and-error character of the participatory components in some SIDA projects. Very few new bilateral pro-

grams have been initiated in recent years, mainly because of the lack of SIDA staff resources for planning and preparation.

*Question 3: What does it cost SIDA to support popular participation in SIDA-supported operations?*

Participatory projects tend to require more time (staff and consulting resources) on the part of SIDA, particularly for planning and preparation. In the field setting, participatory projects require more resources for local-level consultations, organization, mobilization, and training. Introduction or expansion of such activities will necessarily entail additional costs, but such costs should be considered a precondition for participation and an investment in human resources development. Most participatory projects are, in fact, low-cost projects that are labor- rather than capital-intensive, and a considerable part of the cost is paid by the recipient country in the form of labor and material. Some SIDA officials have found that low overall costs, more-than-average elapsed time, and relatively high investments in human resources may frequently be difficult to reconcile with donor incentives and the criteria of administrative efficiency that encourage the spending of large amounts of money in short periods of time.

No specific assessments have been made of the costs for strengthening popular participation in SIDA projects, so it is impossible to give any reliable estimates of the special costs associated with participatory approaches. One reason for this lack is probably that such costs are not readily visible in project budgets. We believe, however, that a systematic effort to compare the costs and benefits of participatory projects with those of non-participatory approaches would be very useful.

*Question 4: What skill mix is required of SIDA staff to appraise and supervise SIDA-supported participatory projects?*

SIDA officials unanimously consider practical (field) experience a fundamental requirement, with regard to both local social structures and conditions and knowledge of Swedish development policy and administration. Personal commitment to participatory approaches is also essential, as well as the ability to facilitate multidisciplinary and cross-sectional collaboration. Additional personal traits required for work with participatory pro-

jects are patience and respect for different cultures and traditions.

In recent years, SIDA has increasingly relied on consultants for project appraisal, implementation, and supervision. In the Indian Social Forestry Program, for instance, the Swedish project coordinators based in India are appointed by the consulting firm, Swedforest, and have (in this exceptional case) frequently been social scientists. Team leaders for the biannual project reviews are consultants appointed by Swedforest. Additional Swedish advisers will not be appointed because Indian authorities consider that such competence is already available in India. When needs arise, SIDA therefore hires local Indian consultants. Although social scientists are well represented among the advisers recruited by SIDA, foresters are dominant among the advisers recruited by Indian authorities. These foresters constitute a very closed professional group characterized by a strong corps spirit. To influence this group and introduce participatory approaches, SIDA has financed and organized educational activities for the foresters.

Some SIDA officials regret that the use of groups for project-support preparation has disappeared in the last few years. Such groups were formed for most of the larger projects and programs and included representatives from different disciplines and sectors, thus facilitating multidisciplinary and cross-sectoral collaboration. Time and staff constraints have severely restricted this type of project-support preparation lately, at a risk to both popular participation and the quality of project impact.

*Question 5: Is SIDA field presence important for participatory projects?*

Although the need may vary considerably by recipient country, a SIDA presence is generally considered necessary for two main reasons. One is that participation is a long-term process that requires presence, continuity, and dialogue. Vital inputs for the planning, design, and implementation of participatory projects can be obtained only through direct contacts with the field. Interaction with the project field is also a precondition for the dialogue, supervision, and follow-up that ensure that projects are pursuing the goals of Swedish development cooperation.

The long-term presence of SIDA officials or consultants facilitates a building of mutual trust and

understanding that is necessary for participatory projects. Field presence, knowledge of the recipient country, and personal relations with counterpart staff also make SIDA officials better equipped to effectively promote participatory approaches and Swedish development policy generally. The main justification for the establishment of Development Cooperation Offices in SIDA program countries is that such offices allow closer and more continuous contacts with the field and a more intensive dialogue with recipient country authorities, project staff, and beneficiaries.

Another reason for SIDA's field presence is SIDA's accountability to the Swedish Parliament and Swedish taxpayers for the utilization of Swedish development cooperation funds. Experience has shown that, in many recipient countries, a SIDA field presence contributes to more efficient use of resources and increases the probability that funds (including those allocated for participatory activities) will be used as originally intended.

*Question 6: Do participatory projects require more-than-average staff continuity?*

Officials strongly agree that staff continuity is critical to the planning and implementation of participatory projects. As has been noted, participatory projects are generally long-term efforts in which staff presence and continuity are essential. In some recipient countries, there has been a need to influence initially reluctant government agencies and institutions about the advantages of participatory approaches through a persistent policy dialogue. Staff continuity is required both on the part of the donor and the recipient country in order to establish trustful personal relations between the agency staff and project personnel.

The Health, Sanitation, and Water Program in Tanzania was mentioned earlier as an example of a program marked by such continuity. SIDA officials who worked in the program's initial stage in Tanzania have later continued at headquarters, and those who began at headquarters have continued at Tanzania. In the Kwale Water and Sanitation Project in Kenya, SIDA has had a Swedish adviser in the project from the beginning, and anthropologists from the Development Studies Unit have followed both projects over the years. The importance of the adviser in Kwale has not been the professional background or specialization, but rather the continuous presence, commitment to project goals,

and ability to establish good relations with recipient country agencies and project staff.

In the Social Forestry Program in India, continuity is assured primarily by the implementing consulting firm, Swedforest. Some team leaders for the half-yearly project reviews have followed the projects from the beginning (from assignments in both Sweden and India), and the project coordinators have worked in India for periods of between three and four years. Anthropologists and sociologists have frequently returned to the program for different assignments.

Some SIDA officials believe that rotation of staff is too rapid, not only in recipient country administrations, but also at SIDA headquarters and Development Cooperation Offices. Typically, SIDA officials at the Natural Resources Management Division stay on an assignment for about three years, while a period of at least five years would be desirable.

*Question 7: Do participatory SIDA-financed projects typically build upon small-scale efforts, perhaps initiated by other institutions?*

Participatory SIDA projects typically build upon small-scale efforts initiated by other institutions. The prevailing policy is to use and, when feasible, scale up promising small-scale local efforts and institutions. Small-scale projects and institutions are mainly dealt with by the Division for Cooperation with Nongovernmental Organizations (NGOs), which supports, by means of a separate budget, Swedish and recipient country NGOs and NGO networks and projects, as well as cooperation between these categories of organizations (Gezelius and Millwood 1988).

In the context of bilateral development projects, however, there are several examples of integration of small-scale and NGO efforts into bilateral SIDA projects. The Change Agent Program (CAP) in Sri Lanka, for example, has received support since 1987 and has also cooperated extensively in the SIDA-funded integrated rural development projects in Matara and Badulla. SIDA is taking advantage of CAP's philosophy, innovations, and methods for grass-roots mobilization, group formation, organization, and training. The cooperation of CAP also means that more-than-average time can be spent on these tasks. The results have so far been successful, and the CAP collaboration has been essential for reaching the poorest and most marginalized strata of the rural population

in project areas (Lindahl and Wanasinghe 1991; Ernfors 1991).

In Bangladesh, the NGOs Bangladesh Rural Advancement Committee (BRAC) and Proshika have been involved in the bilaterally SIDA-funded Early Implementation Projects for small-scale water management and employment generation among the rural poor.<sup>5</sup> SIDA has supported the education and training of development workers of these organizations. BRAC's and Proshika's existing local organizations are used for project implementation or, in areas where no such organizational structures exist, their development workers are utilized for group formation, organization, and training of project beneficiaries. Local organizations and research institutes are also frequently contracted for evaluations of SIDA-funded projects.

In some cases, the recipient country agencies and institutions are unwilling to contribute to the financing of NGOs, particularly from their own budgets, and SIDA has therefore decided to finance such activities from a separate budget.

*Question 8: How do SIDA policies regarding procurement, disbursement, auditing, and local-cost financing affect popular participation in SIDA-supported operations?*

SIDA's rules and policy regarding procurement, disbursement, and local-cost financing are flexible enough not to constitute an obstacle to popular participation, according to the interviewed SIDA officials. Three different parties are typically involved in a project: SIDA as a donor, a governmental agency or NGO as intermediary or implementing agency in the recipient country, and the project beneficiaries. Many of the resources necessary for participatory projects are often obtained through local contributions in the form of labor, material, or money. In participatory projects, the timeliness of both donor and local contributions is considered a fundamental requirement.

The most important task for a participatory project is to fulfill commitments in accordance with time plans agreed upon with the project beneficiaries. This is absolutely necessary to establish credibility with the local participants. The unanimous opinion among interviewed SIDA officials is that the weak link in this process is not the donor agency or its implementing consultants, but the government agencies of the recipient country and, occasionally, NGOs or local organizations that are cooperating in project implementation. These bod-

ies are frequently characterized by low flexibility and inefficiency, and it is at this level that most problems arise. In the Health, Sanitation, and Water Program in Tanzania, for instance, SIDA decided to bypass the Ministry of Water and, through the district administration, assume responsibility for education and training rather than risk holding up the program.

As a consequence of the changing-roles policy, responsibility for tasks such as procurement, disbursement, auditing, and local cost-financing will be transferred largely to the recipient countries. Some SIDA officials worry about the consequences, in view of the deficiencies that characterize many recipient country administrations. In order to achieve popular participation and to reach the poor, these officials maintain, it is imperative to reach beyond the organizational structure of government agencies.

*Question 9: Have other agencies helped by pressing SIDA for a more participatory approach?*

At the international level, SIDA has generally taken the leading role in promoting popular participation, both in its relations with multilateral agencies—including UN agencies and the World Bank—and in bilateral cooperation with recipient country governments and agencies. Among bilateral donors, SIDA has received the most support for participation from other Scandinavian agencies. Cooperation and interchange with agencies such as the Food and Agriculture Organization (FAO), the United Nations Children's Fund (UNICEF), the United Nations Development Program (UNDP), and the World Health Organization (WHO) have inspired SIDA's work with participation and provided new ideas in particular sectors such as water, health, education, and forestry.

The most significant pressures for participation, however, emanate from Swedish groups and organizations. Swedish NGOs, churches, and popular movements—for example, labor and cooperative movements—have influenced both public opinion and SIDA in favor of popular participation. This influence is reinforced by the fact that many SIDA officials have a background in or links to popular movements in Sweden. Institutional consultants—the International Rural Development Center at the Swedish University of Agricultural Sciences, for example, and the Development Studies Unit at Stockholm University—have encour-

aged SIDA and contributed to the development of approaches and methods in the field of popular participation. The Popular Participation Program at the Development Studies Unit has developed SIDA guidelines and fieldwork methods for popular participation and started testing and implementing these in some SIDA projects and programs. The Development Studies Unit has also been involved in elaboration of guidelines and methods for community baseline studies for the FAO/SIDA-supported Forest, Trees, and People Program (Freudenthal and Narrowe 1991).

The debate on gender issues in development projects has also had important repercussions in the field of popular participation. It has highlighted women's marginalized position and has produced new ideas and approaches for dealing with other marginalized groups, thereby revitalizing and strengthening popular participation as a central development issue.

*Question 10: Has pressure from people themselves contributed to the development of SIDA-supported operations that allow them to participate in decisions?*

Poor or otherwise disadvantaged groups generally lack both a voice and decision-making power. SIDA's experience is that pressure from people themselves for participation in decision making is more the exception than the rule. There are, however, examples of such pressure successfully influencing development projects. In the UNICEF/SIDA Water Supply Program in Guatemala, the local communities rejected the project organization designed by the Ministry of Water and instead formed an umbrella organization composed of local NGOs. In the SIDA-supported projects in Bangladesh, NGOs such as BRAC and Proshika have made demands and influenced the preparation and implementation of Swedish projects. This has also occurred in SIDA's Interface Forestry projects in Tamil Nadu. The demands and pressures from NGOs or other local groups have frequently been reinforced through a coalition of interests between these groups and SIDA, enabling both parties to put joint pressures on the government agencies of the recipient country. Evaluations at the grass-roots level, carried out by Swedish or host-country social scientists, have also constituted a way of channeling views, ideas, and demands from the beneficiaries to SIDA. Reports from such exercises have often resulted in modifications of project objectives, approaches, or designs.

*Question 11: Have attitudes of recipient governments inhibited or enhanced what SIDA does to support popular participation?*

The situation is complex with regard to recipient governments' attitudes toward popular participation in SIDA projects. There are governments that have promoted popular participation, but several governments have worked against it. In certain cases, attitudes and policies of recipient governments have changed as a consequence of shifts in regimes or in political and economic circumstances. In general, SIDA officials consider that SIDA has been the driving force in attempting to influence recipient governments in a participatory direction. As indicated earlier, this has required a continuous, long-term dialogue and SIDA presence. The basic objectives of Swedish development cooperation, the existence of SIDA's strategies and guidelines, and the program country and program planning systems employed by SIDA have been essential in facilitating this process.

The recent trend toward democratization and decentralization in Eastern Europe, Africa, and Latin America may, to a certain extent, make governments more receptive to participation. SIDA officials, however, warn of exaggerated optimism and point out that reforms or changes in a nation's political regime do not invariably result in changes at the grass-roots level. As indicated above, the realization of genuine popular participation also requires qualitative changes in social, cultural, and personal relations or attitudes at the local level. Political changes at the macro level may create improved conditions and environments for participation, but enabling genuine micro-level participation will still demand much time and perseverance.

Most recipient governments have been initially hesitant or reluctant to embrace the participatory approaches suggested by SIDA but have modified their stands after a period of dialogue and practical project experience. Such changes in attitude occurred in Kenya, Tanzania, and India with respect to the SIDA-supported water programs, while the Zimbabwe government supported popular participation from the beginning. Similar shifts in attitude have been experienced by SIDA's Regional Soil Conservation Unit (Nairobi), which is working to introduce participatory approaches for catchment planning and extension services in East Africa. The SIDA-supported integrated rural development projects in Sri Lanka and Guinea-Bissau are other

examples. In Sri Lanka, government agencies that initially frowned on SIDA's focus on the poor, women, and popular participation have now fully accepted this approach. In Guinea-Bissau, the national policy strongly favored, at least rhetorically, popular mobilization and participation at the time when SIDA began its development cooperation with this country (Topsøe-Jensen 1989).

### **Appendix: Summary of SIDA's Strategy for Rural Development**

As a result of the Agriculture Division's proposal for an overall strategy to govern SIDA activity in the agricultural sector, the managing director (in conjunction with the executive board's decision at the 26 August 1980 meeting) has declared the following guidelines applicable:

- The overall goal for SIDA's involvement in rural development is resource growth through popular participation. SIDA wishes to achieve this by increasing the productivity of individual small farmers.
- The two aid policy goals—resource growth and greater equality—are equally important, in agreement with a decision taken in Parliament.
- Goals shall be specified in such a way that activities can be measured for the degree to which they contribute to goal fulfillment (operationalization of goals).
- All aid policy goals do not necessarily have to be fulfilled simultaneously in all projects.
- Economic growth is a significant aspect of resource growth and should be measured by means of an economic cost-benefit analysis where access to sufficient data makes such a measurement feasible.
- Three aspects are of top priority in analyzing and achieving the goal of greater equality in development projects:
  - more equitable distribution of wealth
  - more equal access to social services such as education, health care, and drinking water
  - greater equality of social status and political influence.
- Rural development projects will be subjected to a thorough problem analysis. Such an analysis will recognize that rural problems have economic, technical, social, and political dimensions that are interdependent. In principle, the analysis should be based on an integrated overview of the problems of underdevelopment in the rural sector.

- 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.

- When the goal of greater equality cannot be achieved through support to existing or planned organizations open to all, SIDA should support the formation of such organizations for and among the rural poor.

- Serious rural problems, such as low resource growth and economic and social inequality, overlap sectoral boundaries. It is therefore necessary for the Agriculture Division to work together with other divisions within SIDA, not only in the planning and analysis phases but also in the implementation phase of rural development projects.

- SIDA should support decentralized programs aimed at increasing productivity at the village level while involving the majority of the rural population in the development process. This requires a long-term perspective. SIDA should therefore expect that major rural development projects will require continuous support over at least a 10-year period.

- Even within an approach to rural development that strongly emphasizes popular participation, activities will arise in which participation plays a limited role. It is therefore impossible to make a general statement about the degree of popular participation in projects limited to a specific activity. The advantages and disadvantages of a strong element of popular participation should be assessed, however, for each case.

- SIDA should support the production of basic food crops when the country in question is dependent upon food imports or the existing marketing system is unable to provide a reliable, year-round supply of basic food items at reasonable prices in the rural areas.

- SIDA intends to support efforts to solve ecological problems, especially in the area of soil conservation. In order for such efforts to be successful, they should be based upon widespread popular participation in the planning and implementation phases.

- SIDA considers the target group for rural development to be:

- the 40 percent of the population in the least developed countries (according to U.N. classification) with the lowest incomes, and
- one-third of the population in other countries with the lowest incomes.

- In specifying target groups for rural development projects, special attention should be paid to the position of women. To this end, the following factors should be noted:

- women's education (formal and informal)
- the proportion of women who are members of committees or boards in political and other organizations, especially at the local level
- the division of labor between men and women, and the amount of work for which each group is responsible
- women's role in agricultural production.

The role of men and women in the participatory design and implementation of rural development projects should also be noted.

## Notes

1. The Swedish development cooperation budget should, according to an agreement in the Parliament, correspond to 1 percent of the Swedish GNP.

2. A summarized version of the strategy was discussed and accepted at a meeting of SIDA's Board of Directors in December 1980 and is valid as guidelines for SIDA's work in rural development until further notice. This summarized version of the strategy is presented in the appendix.

3. Following are the program countries for Swedish development cooperation. In Africa: Angola, Botswana, Ethiopia, Guinea-Bissau, Kenya, Mozambique, Tanzania, Zambia, Zimbabwe. Uganda has recently been included. In Asia: Bangladesh, India, Laos, Sri Lanka, Viet Nam. In Latin America: Nicaragua. Development Cooperation Offices are SIDA's field offices and are responsible for the administration and follow-up of Swedish development assistance. The Development Cooperation Offices are attached to the embassies in the above countries (except in Uganda).

4. Officers interviewed were from SIDA's Natural Resources Management Division (the former Agriculture Division), Infrastructure Division/Water Section, Planning Secretariat, and Gender Office, as well as officers from the International Rural Development Center at the Swedish University of Agricultural Sciences.

5. BRAC and Proshika are intermediary NGOs inspired by Paulo Freire's methods and working in the fields of health, literacy, income generation, and employment generation at the local level. For more information see Korten (1984) and chapter 3 of this volume.

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# 6

## *The United Nations Children's Fund: Experience with People's Participation*

*Mary Racelis*

### **Summary**

UNICEF has capitalized on its mandate to enhance the well-being of children, which by its nature generates interest in local participation and commonality of concern. Policies, programs, structure, and procedures emphasize participatory approaches. Nevertheless, UNICEF still has far to go in empowering disadvantaged groups, especially in women's participation, and in moving global goals for children (set at the 1990 World Summit) to the community level.

### *Policies and Programs Encouraging Participation*

UNICEF's mandate—helping children and women gain access to the benefits of development—is intricately linked to popular participation. The holistic, multisectoral focus on people that drives UNICEF programs also demands community involvement.

Experience has taught UNICEF that benefits to people are short-lived unless the beneficiaries "own" the goods and services and assume responsibility for using and maintaining them. UNICEF's programs have had their share of failures (community water systems unrepaired and women's credit programs disappearing when external agents depart), which yielded lessons including the importance of early participation and ownership.

What started as emergency relief programs after World War II evolved, as governments decentralized in the 1960s, into integrated area development projects. UNICEF made a decision to post their staff to these project areas, often hiring nationals of the country involved for this purpose. Such direct field contact enhanced UNICEF staff skills for encouraging community participation. Later, as urban slum upgrading was added as a priority, organizing communities to define their needs and terms became an important element of the UNICEF approach.

Furthermore, UNICEF's early relief work brought it into contact with nongovernmental organizations (NGOs) from the very beginning, and this alliance has continued. UNICEF has served as equipment supplier and technical assistance provider to NGO programs, has joined forces with NGOs to work on projects of common concern, and has also helped build bridges between governments and NGOs. In the process, NGOs have shared their skills for community development with UNICEF staff. UNICEF has also learned to distinguish among NGOs and favors those that promote self-reliance rather than create dependency.

### *Participation in the Country Programming Process*

The current country programming process followed by UNICEF reflects a different kind of participation. The process requires, on a five-year

cycle, analysis of the status of women and children in a country (usually undertaken by local institutions); it focuses particularly on highly disadvantaged groups, such as street children or people suffering civil conflict. This analysis is followed by a multiparty meeting (between UNICEF, government ministries, and—with agreement of the government—NGOs) to assess the ongoing program and outline the future country program in light of the analysis. NGOs are sometimes encouraged to do an analysis/evaluation of their own program. The resulting master plan of operations is then submitted for approval by the government and the UNICEF Executive Board. One question addressed in this chapter is “how does the result differ when governments are more or less inclined to participatory design of all their social programs?” (One could compare this process to the World Bank process of economic sector work, followed by policy dialogue, followed by agreement on a policy reform framework, a process that normally involves government but not popular or NGO participation.)

### *Social Mobilization Techniques*

UNICEF strategies for programs such as immunization campaigns reflect attempts to involve a broad spectrum of an affected community in carrying out the program: teachers and religious leaders to promote vaccinations, police and firemen to help organize client flow on the days doses are offered, and provincial leaders or popular figures to kick off the campaign. This demystifies an otherwise alien process and focuses attention on the common concern—for example, child well-being, improved water sources, and affordable health services.

Another technique is to mandate that the focal contacts be women (and not just community leaders, who often are men). As women are often the most knowledgeable about children’s needs and local practices and most influential in changing household behavior, they are in a key position to define actions for improving their children’s well-being (which often involves improving their own). This legitimizes women’s views in the formal decision-making process.

### *Other Participation-Inducing Procedures*

UNICEF procedures that encourage participation include earmarking funds or supplies for com-

munities (which then have to agree on and monitor allocation), using animators (or facilitators) to help people explore their needs and options and take the first mobilizing steps (a relatively new approach for UNICEF but a longstanding one in the NGO community), and contracting for local procurement of the supplies and equipment UNICEF provides as part of its programs. UNICEF seeks to scale up successful social mobilization techniques, working first with government entities identified as interested or potentially successful in fostering participation.

Staffing procedures also reflect the UNICEF emphasis on participation. Recruitment gives high priority to persons with community capacity-building skills, and staff performance evaluation is supposed to include appraisal of success in applying such skills. Staff are rotated to maximize exposure to different participatory experiences. Internal UNICEF management seeks to de-emphasize hierarchical authority in favor of collegial approaches. This, in turn, attracts like-minded professionals to UNICEF.

### **Policies and Programs Encouraging Participation**

UNICEF’s commitment to people’s participation stems from its pressing need to ensure that the world’s most deprived and vulnerable children and women gain access to the benefits of development, primarily through the basic services of health, food security, clean water, sanitation, and education. Anything else that can enhance their lives may also merit UNICEF support—demographic surveys that disaggregate data by the younger age categories, training programs in health systems for district-level administrators, a World Summit of heads of state and government, community-initiated and -enacted plays dramatizing the importance of child immunization or the dangers of AIDS, analyses of the impact of structural adjustment on the poorest families, and income and employment activities for women.

It is this personalized, holistic orientation to real people—children and women with faces and voices and feelings—rather than to the more impersonal quantitative economic and social criteria characteristic of many sectorally oriented development agencies that drives UNICEF to search for ever-better ways of enhancing people’s capacities. From there, it is but a short leap toward helping people themselves address their children’s needs,

giving high priority to women's empowerment and the education of men as parents as well as community leaders. This approach necessarily requires frequent and direct contact between UNICEF staff and community residents to ensure that we are on the right track and that they, in fact, are actively benefiting.

### *Mandate and Focus*

The first reason for UNICEF's commitment to people's participation derives from its very mandate and focus. Its multisectoral approach to children accords with the principle that children cannot be divided into parts but must be considered as whole persons. Even though, for temporary convenience, one can take a sectoral approach, what counts in the end is an integrated impact on the child as a total entity. The notion of process is implicit in this conceptualization, linking the parts together for a meaningful whole at one point in time and across evaluation periods. UNICEF's own experience, with that of other development agencies, has taught us that development embodies not only technical but also human processes. These foster among disadvantaged groups a sense of dignity; efficacy and power; access to knowledge, information, and skills; and effective organization. The importance attached to women's internalizing these features emerges from the recognition that women are the world's best advocates for children and the realization that, unless they have their own opportunity for self-development, neither their parental nor their citizen roles will flourish. Their participation in decision making alongside men has thus become an integral part of UNICEF cooperation. There is a high level of consciousness in UNICEF about the participation of men and women, and more recently children, both as a goal in itself and as a means of achieving goals.

UNICEF's policy orientation toward promoting primary health care, as elucidated together with that of the World Health Organization (WHO), governments, and NGOs at Alma Ata in 1978, further directs its programs toward participation. This commitment has recently been highlighted at the World Summit for Children, where presidents and prime ministers pledged their countries to attain seven major goals and 26 supporting goals for children and women by the year 2000. It is eminently clear that without the active participation of communities, these goals cannot be achieved or sustained.

### *Field Experience*

*Learning from successes and failures.* In its more than 40 years of service to children, first in post-World War II Europe, then in the developing world, UNICEF has learned that benefits to people are short-lived unless the people themselves recognize their ownership over the goods and services we help provide and take on the responsibilities that come with ownership. We, too, have had our share of community water pumps fall into disuse because of the lack of a spare part or someone willing to repair a leaky valve. Too many women's credit programs have floundered or collapsed, despite years of training and effort, when the external agent propping it up is withdrawn. Even emergency programs responding to drought, warfare, and natural disasters have proven more successful when the displaced or refugee population helps organize relief efforts. The sober lessons of failed national government programs designed in the capital city for rural implementation have not been lost on UNICEF. People's participation clearly makes a difference.

*Decentralization.* With the decentralization of governments first in Asia in the 1950s and 1960s and then on other continents, and the advent of multisectoral, integrated local, or district-level planning, UNICEF turned its attention to area-based development. By legitimizing UNICEF's efforts toward integrated child survival, protection, and development at the subnational or district level, national governments simultaneously gave their seal of approval to our joint search for better ways of reaching children and women in the community setting. The decision to post UNICEF staff, often national professionals, to some of these locations has given us more direct experience of the ups and downs of fostering community participation. Growing attention to urban slums and shanty towns further taught us how effective organized community groups can be in defining and obtaining their wants on their terms.

*Working with NGOs.* While our contacts with communities have been highly instructive, our best teachers have been the NGOs. We have enjoyed a privileged position with them because, from our inception as an emergency-response agency, NGOs worked side by side with us in providing relief to masses of destitute families. This symbiotic relationship has prevailed as we moved together into

the development arena, with UNICEF performing roles that NGOs welcomed enthusiastically. One was serving as a source of supplies, equipment, cash, and technical assistance for NGO programs and projects. Another was mobilizing like-minded NGOs around common concerns such as child welfare, clean water, or gender issues, where our credibility was strengthened by our position as impartial arbiter among often-competing NGOs. Still another role found us informally mediating between government bureaucracies suspicious of NGOs, on the one hand, and NGOs resentful and often fearful of government interference, on the other.

By sponsoring all-parties workshops or conferences focusing on problem solving, UNICEF aims at building the atmosphere of trust so crucial to effective government-NGO partnership. At the same time, we profit from the knowledge and understanding that NGOs have given us about how communities tick and how we can better serve them. We have also learned from the insistence of self-reliance-promoting NGOs (SPOs) that genuine development means deliberately designing programs to prevent dependency creation and enhance community self-reliance.

### *The Country Programming Process*

*From situation analysis to implementation.* UNICEF's interest in and capacity for supporting popular participation finds further reinforcement in the country programming process undertaken in partnership with a government and (by agreement with the latter) with NGOs as well. Every five years all parties come together to plan an analysis of the situation of women and children in the country. The comprehensive year-long study is usually undertaken by local university researchers in collaboration with the Ministry of Planning, the research arms of sectoral ministries (those overseeing, for example, health, education, agriculture, community development, or social services), and other key information sources.

In recent years, special efforts have been made to obtain data on particularly disadvantaged groups, like urban street children and working children, minority nomadic populations, or displaced children and women severely traumatized by civil conflict. The ensuing report becomes the basis for a multisectoral meeting at which the ongoing country program is assessed in light of the data and redirected for the terminal two years.

Simultaneously, the new five-year program, beginning two years hence, takes on the new dimensions suggested by the situation analysis and the midterm evaluation of the existing country program. A number of the partner NGOs join in this process, bringing in more forcefully the community dimension. For some countries where this cycle has recurred several times over a period of decades, the views of community groups are more directly sought by undertaking research about or with them. The groups are encouraged to evaluate ongoing local programs and to analyze the situation of their own children and women in order to build the results into the Government/UNICEF Master Plan of Operations. The master plan thus incorporates the programs and projects that will guide implementation, following government and UNICEF executive board approval. In countries where knowledge about how to build people's participation into the entire country programs has been tried and tested, country programs reflect the principle. Cases in point in Africa are the new 1993-97 country programs of Namibia and Tanzania.

*Flexibility and devolution of authority.* The ability to construct a country program that launches new strategies while fine-tuning old ones stems in large measure from UNICEF's highly decentralized structure. Once the executive director has cleared the country program for presentation to the executive board and the program has won board approval, authority for implementing the program with government devolves to the country representative. He or she, in turn, is assisted by a country office program and administrative support team resident in the country, which interacts with government and NGO partners on a daily basis. Together, the partners adapt programs and projects to changing situations, thereby standing a better chance of success.

It is no coincidence that some 85 percent of UNICEF's more than 5,000-member staff worldwide are stationed in the field, with a correspondingly small minority at headquarters in New York. Since UNICEF's "doing" culture demands close and continuing contact with those taking action—the people themselves, government officials and technicians, and NGOs—a flexible, decentralized mode of operation is imperative. Combining elements of centralized national planning with an evolutionary learning approach allows for continuous adjustment to actual field realities. Hence, the differential needs of varied ecological and so-

ciocultural settings, of groups acting at different speeds, together with emergent community evaluations calling for midcourse corrections, can usually be incorporated into the country program with relative ease. This kind of flexibility and responsiveness to unanticipated or unpredictable developments is mandatory for agencies serious about promoting people's participation.

*Learning from communities.* Field experience has likewise taught us that when people's participation in development programs seems weak or non-existent, the problem is less likely to lie in the community group itself than in the antiparticipatory structures generated by socioeconomic and political forces sustained by unbelieving officials. Encouraging, indeed programming for, officials' face-to-face contacts with active people's groups can help bring about the transformation in attitudes that no amount of classroom extortion will achieve. Hence, the training modules built into the country program often take place in rural areas or in the community halls of urban poor neighborhoods. These locations provide opportunities for officials to discuss issues with the local people and learn from them. Since the people are in their own home territory and using their own language, their sense of confidence and the wisdom of their experience have a greater chance of emerging in these encounters. A new respect for the people's views often develops among the officials, along with a new humility about their own knowledge and prescriptions in light of the people's real situation and experience. The reduction of residents' fear and awe of government officials, coupled with the greater respect now accorded the people, turns future meetings into discussions among peers and partners rather than one-way presentations by government officials to people. The foundation for participatory development has thus been laid.

While the scenario just described comes closer to the ideal than the actual, it can nonetheless evolve if pursued consistently. This explains UNICEF's commitment to locating training activities in community environments, where one can more readily learn from the people.

*Actual modes of training, whether for UNICEF staff or our country partners, deliberately eschew extended formal lectures in favor of mutual learning through group discussions of the topic under examination. Rarely does a lecturer expound at length to rows of neatly lined-up students. Rather,*

the group forms a circle to allow maximum dialogue and idea exchange. "Resource persons" are simultaneously learners, and vice versa. Everyone is a participant. The de-emphasizing of conventional status hierarchies in favor of a more egalitarian approach to seeking and utilizing new knowledge not only yields better, longer-lasting results, it also serves to affirm the genuineness of UNICEF's commitment to fostering participatory development. The credibility gained through actual demonstration further reinforces UNICEF's advocacy in this regard.

*Social mobilization.* Another program strategy that strengthens the participation thrust is social mobilization. Key here is the conviction that everyone can play an active role in advocating and promoting aspects of child well-being. Take immunization, for example. While medical personnel undoubtedly represent highly important resources, their strictly technical role responds to only one small portion of the challenge. Education, communication, motivation, logistics, leadership, and many other elements bring in areas far beyond the capacities of health personnel.

Teachers urge pupils to remind their parents about the immunization days. Religious leaders preach to their congregations on the merits and moral obligations of vaccinating children. Community drama groups present plays highlighting the serious consequences facing unimmunized children. District commissioners give prizes to the community with the proportionately largest numbers of vaccinated children. Police and fire fighters pitch in on actual immunization days to keep order and facilitate the flow of clients, especially if the head of state, the provincial governor, or a cinema star is present to administer the first dose. Boy Scouts and Girl Scouts register newcomers. The media reports the results to the nation, and so on.

The demystification of a process that had been considered the private, technical preserve of health personnel affirms the principle intrinsic to people's participation. Everyone, no matter how humble his or her station in life, can act for children and contribute something of value to their survival, protection, and development. Naturally, the more people can learn about health, nutrition, and other activities to benefit their children, the surer they will feel about their views on these subjects and the greater will be their self-reliance about taking initiative and sustaining these activities themselves.

*Community-based programs.* UNICEF's most direct experience with strengthening people's participation comes in the community-based programs we help design, implement, monitor, and then redesign. The area-based programs, featuring local multisectoral planning and decision making that draws in the views of community residents, both men and women, has already been mentioned. Community water and sanitation programs provide excellent opportunities to foster people's management. A plentiful source of potable water nearby seems almost universally welcome. Community people usually express great interest in the project and are willing to develop it side by side with the hydrogeological and community development teams, which apply their skills at stimulating effective local organization and management. Involving women in water-sanitation programs—for instance, by training them as maintenance personnel—has proven particularly efficacious. Since women stand to gain the most from a working system, the prospect of ending their long walks in search of water and seeing the improved health and cleanliness of their children makes them enthusiastic development partners.

Similarly, the Bamako Initiative, to which both UNICEF and WHO are committed, focuses on community decision making around financing improved health services. This usually starts with ensuring a steady supply of essential drugs at the local health center and branches out to paying community health workers, repairing the health post, or funding local dramas featuring health messages. Another major policy initiative is the new nutrition strategy embodying the triple-A cycle of assessment, analysis, and action by community members. This holistic thrust views nutrition not as a sector but as an outcome of multiple levels of causation that can be identified by people in the course of assessment, examined in greater depth in the analysis, and addressed by taking action.

*Women's participation and gender sensitivity.* UNICEF policy stipulates significant attention to the development of women in their multiple roles of mother, household manager, food and income producer, community activist, and citizen. Since women's energy, talent, and concern emerge to greatest advantage at the community level, this becomes an added reason for UNICEF to focus its efforts there.

Placing women at the center of programs results in wide-ranging activities responding to their needs and offers greater opportunities to expand their world and their control of its basic activities. Among their needs are education for life, including not only literacy and numeracy but also the technical, managerial, and organizational skills much sought by women's groups. Increased knowledge about their children's and their own health and nutrition, about sanitation, and about raising their income in such a way that they retain control over it are all important to them. Credit becomes available through the reorienting of local financial institutions, now amenable to small-scale lending on group collateral, if necessary. Convenient access to clean water and appropriate technology for lightening the work burden help to transform women's lives from sheer drudgery, giving women a say about the situations affecting them and about their future.

Although women make numerous decisions in the course of a typical day, these are ascribed to traditional tasks and rarely accorded the importance enjoyed by male decision making. Enabling women to take part in deliberations affecting their lives—certainly where their children are concerned—and ascribing value to these concerns therefore falls within UNICEF's purview. In program development, consulting formal local leaders is not enough, because most cultures dictate these leaders should be men. Women in the community, including the most impoverished, must also be consulted, not only because women's empowerment is at stake, but also because women are the most knowledgeable about and involved in children's concerns, the microeconomy of the household, subsistence production, and local practices for handling change and continuity as related to birth, marriage, death, and other life passages and rituals. Once men recognize this and see positive results, they will agree to a new orientation.

By helping to legitimize women's views in the formal decision-making sector and by supporting their self-development and actions for improved family, community, and national welfare, UNICEF aims to strengthen women's self-reliance and society's recognition of the important roles women play. Further, UNICEF's more recent focus on educating and motivating men to take a more direct interest in children's well-being, both as fathers and as community leaders, also aims to heighten overall awareness and advocacy for children and women.

## Procedures Encouraging Participation

### *Programs*

*Allocating resources directly to communities.* Earmarking funds or supplies for communities has advantages beyond their direct utilization. As these resources arrive at their destinations, local people have to make decisions about how to manage them. Thus, in the block grants made to decentralized districts engaged in child survival and development programs, local leaders, including NGOs and women, have to get together to reach agreement on and monitor the various allocation options. While the local elites may initially get the better part of the bargain owing to traditional attitudes of deference to wealth and authority, with time and effective training in organizational skills, the poorer and more powerless groups begin to speak out. Similarly, the initial batch of generic drugs sent to Bamako Initiative communities for sale necessarily generates discussions on how to sustain this effort. The village committee may allocate the proceeds to repurchase drugs or to other community choices.

*Using animators.* People's initiatives to create change and gain greater control over their lives rarely occur spontaneously. They must often be stimulated. Animators are best equipped to do this. Animators (sometimes called facilitators or community organizers) help people explore their situation, build up their critical awareness of problems and possibilities, and create an intellectual knowledge base for taking action. Initially outsiders, animators reside in the community and constantly pose questions to the people to help them think through their ideas and mobilize, first around small actions. With each success, the people gain self-confidence and feel better able to tackle larger development issues. By this time, they probably have a good deal of influence in local or district matters and can move effectively into comprehensive development programming. Having learned how to negotiate with each external assistance agency, they see to it that benefits come on their terms. The interaction follows a horizontal two-way dialogue of equal partners instead of the vertical one-way intervenor-subject monologue. The strategy of service delivery shifts to people's access to services. As community empowerment grows, external animators become increasingly redundant and can now move on to other commu-

nities, leaving internal animators to take over.

Again, the ideal scenario above remains more the preserve of NGOs than it does of government development efforts. Because of the method's proven efficacy and the importance of scaling up participatory development onto the national scene, UNICEF has been encouraging officials to adopt the animator approach. In some cases, the government draws on NGOs for this purpose, with UNICEF funding those animation activities not anticipated in the current government budget. In other cases, the government agrees to retrain selected government extension agents in agriculture, nutrition, community development, and the like to become animators. Candidates must be carefully screened during their training to ensure that they are capable of facilitating interaction and will not retain the all too familiar technical-expert syndrome of telling people what they must do. Further, animators should feel reasonably at ease living in rural or urban slum conditions and sharing the people's lives.

UNICEF has both promoted and funded various aspects of this transformative process in several countries, notably the training itself, which includes resident field experience, and the building of capacity in local training institutions. Supporting animators is still a relatively new approach for the organization, however. Advocates of participatory development in UNICEF believe that, until this approach becomes a deliberate and dominant part of UNICEF strategy worldwide, participation will continue to follow the questionable model of urging, sometimes even manipulating, people's involvement in government-UNICEF programs rather than the better model, in which government and UNICEF join in the people's own programs for improving the situation of their women and children.

*Other program thrusts.* A wide variety of program mechanisms contribute to fostering participation, but space does not allow elaboration. It suffices to say that when UNICEF identifies interested government entities or those that have shown some successes in fostering participation, it encourages and funds the experiments or initiatives under way. The programming process may require as much as a year-long start-up period to give the animation process enough time to take root. The actual health or other outcomes calling for larger funding come during the second and third years. By the fourth and fifth years, as local

sustainability gets under way, the system should have been stabilized. UNICEF also advocates and funds field visits by officials to successful projects so that the officials can learn on the job. Documenting cases of success and failure is a useful learning tool.

#### *Other Procedures*

*Supplies.* Since the bulk of UNICEF's assistance goes into supplies and equipment, this area has been carefully reexamined by participation advocates. The significant increase in authorization for local procurement (for example, cement and construction materials and contracts with community craftsmen to make school desks and benches) has facilitated local initiatives in that the materials are available when the people need and want them. Moreover, if the equipment should break down, local people can repair it because the spare parts are available in the market for quick purchase with local currency. Sustainability is enhanced through the people's retaining control over the process. On the international side, UNICEF's supply division has consistently reduced lead times for off-shore procurement, thereby enabling more rapid response to people's requirements.

*Personnel management.* A 1990 global workshop on participation proposed a number of recommendations in this area (Ogun and Smith 1990). In terms of *recruitment*, candidates with participatory experience at the community level and demonstrated commitment to its advocacy should fall into the high-priority category. A rotation scheme for staff should expose them to a variety of participatory experiences as part of *human resource planning*. The seriousness of UNICEF's commitment to participation will be proven by the inclusion in a staff member's *performance appraisal* of indicators of capacity in this area. Country representatives and division directors, in particular, should be assessed in this manner because of their decisive influence on and responsibility for utilization of staff time and office priorities.

*Participatory management.* A prevailing perspective in UNICEF is that one should practice internally what one preaches externally. Hence, open or participatory management is well established in most UNICEF offices. Hierarchies of authority are de-emphasized in favor of more egalitarian interaction, although it is always clear that the

head of the office has the last word. In eastern and southern Africa, the 14 representatives, six assistant representatives, and the chief of the New York Headquarters Africa Desk form a regional planning and management team that acts as a kind of board of directors for the regional office. The team proposes to the regional director training programs, research studies, and work plans for regional advisors serving their countries in the coming year. Under the chairmanship of the regional director, this collegial body discusses policy, program, and operational issues for appropriate feedback to headquarters and possible incorporation into the global system. The Global Staff Association, with chapters in every field office, expresses the organization's democratic orientation. Its chairperson sits as an *ex officio* member of UNICEF's executive staff. Indeed, the well-known open management style that contributes to high morale among staff further attracts like-minded professionals to join UNICEF.

*Training.* The Florence (1990) and Arusha (1991) staff workshops on participation both emphasized the importance of fostering linkages with SPOs and people's organizations through work and study leave for staff interested in obtaining direct field experience in people's participation. Directories of NGOs were also sought. Field visits and special seminars for executive board members and donor groups will also increase understanding of the efficacy and importance of participation. Participatory processes that work within UNICEF include instituting peer review as the basis for assessing training applications and determining on a regional basis for New York's final approval which staff members should get what kind of training.

*Budget.* The budget process also follows the principle of staff involvement. The headquarters budget team holds meetings in every region, reviewing with each country representative his or her biennial budget proposal, raising questions, listening to the answers, and making a decision, all in an informal, consultative way. Given this on-the-spot decision-making process, the representatives understand why certain aspects of the proposal have been approved and others disapproved. An appeal for reconsideration is possible. Even if the appeal is denied, the representative comprehends why and is thus more accepting of the results because he or she had a say in the outcome.

Morale remains high. Since the two-year budget is planned a year and a half before it is actually implemented, the possibility of a subsequent revision of the second-year figures enables the representative to adapt the allocations to the current reality. As for the program budget, the flexibility built into it responds to participatory requirements.

### **Conclusions**

UNICEF has capitalized on its mandate to draw in all elements of society for enhancing the well-being of children and women. It has a natural advantage in calling for people's participation, since everyone has a special feeling about children. Its policies, programs, and operational procedures all take into account the participatory imperative, capitalizing on the country programming process, years of field experience, decentralization, partnership with NGOs, flexibility, devolution of significant authority to the field, community-based programs and strategies, social mobilization, and internal participatory procedures that parallel external modes of operation.

Nonetheless, UNICEF still has far to go in enabling the more disadvantaged groups to create change and exert significant control over their lives.

This is even more true of its efforts for women's participation, which still lag behind desired levels of success. A special challenge emerges in the transformation of World Summit global goals for children and women into initiatives taken by communities that have genuinely internalized these goals into priority concerns on their own terms.

Yet when all is said and done, the success of this program of empowerment lies in incremental change and a progression toward people's building an intellectual base for their efforts. If UNICEF can spread the word about animators and community organizations as effectively as we have promoted immunization, oral rehydration therapy, zones of peace for children, the Convention on the Rights of the Child, and the World Summit goals, we can envision a not-too-distant future in which men, women, and possibly even children will actively plan their future, secure in their own dignity and capacity to make it happen.

### **Reference**

- Ogun, B., and K.H. Smith. 1991. "Participatory Development Summary Report." Innocenti Global Seminar, 21-29 May 1990. International Child Development Center, UNICEF, Florence.



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*Part II. Summary Record of  
Small Group Sessions*

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# 7

## *Time and Money*

*Brett Crawford*

The discussion generated by this small group centered on five topics related to the effective and efficient allocation of time and money for participatory development activities. These were (1) the Bank's incentive structure, (2) the availability of funds from sources other than the Bank, (3) the culture of the Bank, (4) the time lag between inputs and results, and (5) the need for more human attention.

### **Incentive Structure of the Bank**

In the group's opinion, the greatest impediment to the widespread acceptance and pursuit of participatory initiatives is the Bank's incentive structure. Group members noted that managers (task and line) often lack a clear understanding of the rationale for participatory strategies in projects or are unwilling, during the design and implementation of projects, to experiment with new strategies that could serve as effective vehicles for strengthening popular participation. The group felt strongly that the Bank should shift from its current emphasis on the quantity and rapidity of lending operations to a longer-term focus on project quality throughout preparation and implementation.

### *Toward a Rationale for Participation*

Additional research is needed to demonstrate the clear economic benefits of participatory activi-

ties in projects and to provide an adequate rationale for incorporating participatory strategies in project design to the many Bank managers who rely on calculating internal rates of return in evaluating project proposals. In addition, to help quantify the beneficial impact of participatory projects, the Bank should institute social assessments that would be similar to the required environmental assessments.

Group members noted that there is a great deal of uncertainty among Bank staff about the priority the Board has assigned to encouraging participatory development. Until the Board produces a clearer mandate or policy statement, many staff will continue to resist using participatory strategies. It was suggested that efforts be made to encourage the Bank's executive directors to formulate such a policy statement.

### *A Willingness to Take Risks*

The group felt that the foremost barrier to increased experimentation with participatory strategies is the fear of failure. Because career advancement and salary review within the Bank are heavily dependent on demonstrated success in delivering projects to the Board, many staff members are reluctant to depart from the tried and true. In addition, many line managers feel heavy pressure to achieve preset disbursement targets for projects under preparation and implementa-

tion, and so they are also unwilling to attempt new approaches that often require more time and budgetary resources (both of which are often in short supply).

Some proposals to improve this situation include revising the personnel review process, giving managers budgetary incentives to promote participatory activities, and establishing competition among units to reward those that best demonstrate and promote participation. (The Board and the Operations Evaluation Department would be included in the review process.)

### *An Emphasis on Quality over Quantity*

The group felt the Bank should also become more process-oriented as opposed to product-oriented. This would require substantial revisions in the project monitoring and evaluation processes, as well as in the personnel review process, to reward quality of output and to encompass the full project implementation period (rather than just the period up to Board presentation).

More flexibility should also be given to managers in setting and revising schedules and budgets, both within the Bank and for projects, to encourage managers to strive for higher-quality project results.

### *Culture of the Bank*

The majority of group members felt that several aspects of the Bank's institutional culture should be addressed to improve the environment for participatory development activities. The Bank should move away from its heavy reliance on a blueprint approach to project design and should instead adopt a learning approach that seeks to refine projects throughout their lifetime as lessons from implementation are learned and applied. This approach should involve more carry-over and connection between projects to make them programs instead of discrete projects.

The lessons of project experience should also be collected and disseminated within and outside of the Bank to help identify the best practices and cost-effective approaches for replication elsewhere. Such a practice, however, would require substantial revision of the Bank's policies to allow greater freedom of information. Some documents that were mentioned as possible candidates for dissemination include environmental assessment

status reports, staff appraisal reports, and sector studies.

Nonetheless, the Bank should also dedicate more resources to designing specific participatory strategies for individual countries, using all of its available tools (including economic and sector work, country economic memoranda, and projects), rather than simply trying to transfer models of experience from one country to another. Implicit in this recommendation is the idea that Bank managers should recognize the costs and benefits associated with nonparticipatory and participatory approaches and be aware of the greater need of participatory projects for Bank resources during the preparation and implementation stages.

### **Supplementary Resources: Donor and Local Funds**

A criticism of the Bank that surfaced during the discussion was that the Bank has too many objectives within countries. The group agreed that the Bank should attempt to do only those things for which it is best suited, recognizing its comparative advantages and its limitations. Consequently, it was stressed that the Bank should yield responsibility for some objectives to other donors and local agencies.

An additional criticism was that the Bank conducts most of its sector and project work in Washington, D.C., often using consultants who are unfamiliar with the countries for which they are working. Of high importance to the group was the need to focus the Bank's work within countries and to mobilize in-country resources (public and private) as early as possible to assist the Bank. It was also suggested that the Bank form partnerships with other donors having comparative advantages in countries and sectors to provide technical assistance to compensate for the Bank's staff limitations. A final proposal was to encourage staff exchanges between the Bank, local governments, and NGOs for periods of 6 to 12 months as a means of facilitating mutual understanding.

### **Time Lag Between Inputs and Results**

The frequently long period between the beginning of project implementation and the appearance of measurable participation-related results impedes support for participatory projects within countries and the Bank. Governments are often unwilling to

take risks and to borrow for less quantifiable "soft" projects, while the Bank's management also exerts pressure on task managers to prepare projects quickly and to disburse funds rapidly. As mentioned earlier, greater awareness of the long-term benefits of participatory activities is therefore needed within governments and the Bank.

Another problem associated with this lag is the lack of staff continuity within the Bank across the lifetime of a project. Because of staff rotation, the staff who are most knowledgeable about projects typically are not around to oversee most of the projects' implementation. This situation is particularly acute for participatory projects, which often require more time to prepare and to implement. The relative complexity of many of these projects increases the likelihood of their being disrupted by staff turnover as well as the cost of that disruption. One step that could be taken to address this problem is to include within project completion reports a list of all staff associated with a project (including their roles during the lifetime of a project). This would allow for greater accountability and better dissemination of the lessons learned from projects.

### More Human Attention

Finally, the group agreed that the availability of time and money is secondary to the need for strong and consistent human attention. Members concurred that it was important to find people and institutions knowledgeable about participation to manage and implement a project. Some recommendations to help achieve this goal included entrusting more responsibility for project design and supervision to local persons and agencies, reducing Bank staff turnover, increasing the Bank's commitment to supervision and monitoring of projects (for example, by revising the project cycle to reallocate funds more evenly across all stages of the cycle, rather than concentrating them at the pre-appraisal stages, and increasing study by the Operations Evaluation Department of the experiences of capacity-building exercises over time and across projects or programs). The group proposed that a senior official, such as Sven Sandstrom, Managing Director of the Bank, be asked to head any effort to address these issues.

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# 8

## *Staffing*

*Christopher Ward*

The first subgroup began its examination of staffing questions with a reflection on how the Bank is now performing and behaving vis-à-vis participatory projects. This reflection, it was felt, could illuminate the locus of both strengths and problems and then throw light on the direction of change. One discussion member pointed out that Bank directives currently mandate community involvement only in the area of environmental assessment and that the Bank's capability to ensure compliance was limited. One factor considered here was that environmental assessments were among the hardest places to start—the methodology was poorly developed and the issues could easily lead to confrontation. Yet the Bank's mandating of the approach obliges it to staff itself appropriately; its apparent failure to do so casts some doubt on the Bank's seriousness. Requirements for popular participation in poverty assessments and in private-sector assessments will impose a much heavier demand. Group members felt that the Bank was simply not staffed appropriately and that even access to consultant funds seemed limited.

One participant noted that the Bank is sometimes expected to be all things to all people. This it can never be; its comparative strengths and weaknesses have to be understood, and proposals for change need to be worked through from the inside. If a Bank that foster participation is the ideal, this could be built in manageable stages inside the existing Bank.

### **Bank Culture and Values**

The importance of the right culture in building the right institution was emphasized. Bank culture and values could change behavior and practices. A culture that rewards willingness to take some risks and that eases the compulsive fear of making a mistake that can mar a career is a culture that would promote enterprise, initiative, and learning. The Bank could change its culture toward fostering innovative, participatory projects, just as it changed its culture from one that promoted infrastructure lending to one that promoted structural adjustment. The rewards and incentives, the staffing pattern, and the institutional ethos could all move in this direction.

One discussant pointed out that policy-based lending is likely to remain a major activity of the Bank, even if participatory development is to be emphasized. The role of the Bank in advising governments to change policies was considered too central to the development process to be surrendered. But the goal need not be antagonistic to participatory proceeds; it could instead complement them by ensuring the right policy and public institutional framework. In addition, making large-purpose loans for balance of payments should allow the Bank and governments to achieve their resource transfer objectives in a single large operation, which could leave ample staff and more modest financial resources for interesting and creative small participatory operations.

## The Right Skills Mix

The subgroup then considered how the Bank could develop and manage the right mix of skills. Specification of the skills mix was left quite general; for some, it amounted to no more than having staff who are sensitive to popular participation issues. The instruments for developing the right staff are recruitment, internal training, staff incentives, rotational assignments, and field assignments.

In recruitment, the potential—and danger—of the Young Professionals Program were discussed. The program could be a means of introducing into the Bank young social scientists and energetic development workers with field experience in participatory development. But it was felt that the program is serving neither of these functions at the moment. Instead, it is recruiting one type of economist with little or no experience in real development at the grass-roots level and providing no opportunity in subsequent careers to acquire that experience.

From this discussion, it became clear that social science skills, field experience, and attitudes toward participatory development could all form part of the entry criteria for the Bank. Discussants were content with an indicative list of criteria, non-binding in nature, since a number of talents and combinations would be required, including hard-to-measure interpersonal skills.

On training, the rich resources and dedication of the Bank to internal training were recognized. Evidently a commitment by the Bank to the participatory approach would release the energy of the Bank training system to develop the necessary skills and approaches in the staff. But because of the nature of the skills required and the considerable "cultural" change they entail, training would need to be innovative and include in-the-field training, placement abroad, and development assignments in other institutions.

Incentives were essential, the subgroup felt, and these should be transmitted through the Policy Research Complex and contract systems as well as through less bureaucratic systems of recognition. "Profiling" good participatory project work in public forums was also suggested.

The role of rotational assignments within the Bank was seen as both negative and positive. The negative aspect is clearly the break in continuity, which could be especially detrimental in projects requiring intensive human contacts and learning. The loss of the responsibility trail is also a short-

coming, and not just in terms of audits. More important, Bank staff are also participants in the projects and therefore have ownership and a sense of commitment—commodities that cannot just be handed over to a successor. By contrast, the learning aspect of rotational assignments was recognized to be a considerable training resource that could be managed to help change the culture and to develop skills. The inclusion of short assignments in NGOs and field projects was regarded as a powerful capacity-building instrument for Bank staff.

Also discussed at length was the role of Bank field presence. It was recognized that the Bank is, at present, a highly centralized organization and that task management and policy-making would remain substantially at headquarters. Nonetheless, the particular characteristics of participatory development indicate scope for a tactical use of Bank staff in the field for some activities. Strengthening government-NGO relations, for example, requires sustained contact of a nature that can never be assured by facsimile transmission or telephone. It was felt that the Bank should, therefore, post staff to field offices where participatory development is a priority. Local staff could have a comparative advantage in terms of knowledge. Headquarters staff could bring their own comparative advantage of fresh ideas, cross-country experience, integration with Bank country teams, and so on. The learning process for Bank staff would also be considerable, and staff returning from the field would be a valuable resource that would need to be managed skillfully.

## Changing the Culture of the Bank

The subgroup described this human development process within the Bank as the most important and delicate mission facing proponents of the participatory approach. The task amounts to nothing less than changing the culture of the Bank—away from the tyranny of moving money, away from a one-dimensional world in which development depends on the incremental capital-output ratio, toward a multidimensional concept of human development in which the goal is development of human and institutional capacities and choices.

The second subgroup examined the following questions: What sort of World Bank do we need? What are the changes needed to help this World Bank develop? What are the personnel implications?

The subgroup began by analyzing the role of experimentation and risk taking in a major devel-

opment institution. Experimentation was seen as an essential way of discovering innovative development paths and as an integral part of the learning process, in which mistakes could be as instructive as successes. But to participants, the Bank's culture and structure of incentives appeared remarkably un conducive to innovative and creative project identification and risk taking. The Bank's capacity to embrace error and learn from mistakes, to "fall forward," seemed slight.

There was discussion of the signals of aversion to risk taking that the Bank's Board transmits (because the Bank is a sound financial institution), and staff perceptions of and reactions to this. Staff sometime take risks in the field but hide the fact in their reports because of a sense that management or the Board would disapprove.

In a creative development institution that is capable of growing, the role of pioneers was seen as key. Pioneers thrive in an open enabling environment. The hardest are self-starters, but perhaps others might be encouraged by some "spark" that could be struck off the institutional flint. Publicizing and rewarding successful participation efforts and ensuring that these receive recognition by management and peers were seen as ways to develop such an environment. There was also a strong suggestion that staff motivation would be increased if the Bank issued a policy paper and operational directive, monitored existing participation requirements, and delayed projects that failed to meet these requirements (as it does for environmental assessments.)

Another aspect discussed was the Bank's interaction with its partners. The World Bank has a responsibility to recognize how its enormous size and influence could skew partnerships and other participatory processes. An NGO representative revealed that he had felt compelled to buy a tie to wear to a meeting with Bank staff. The latter, much to this NGO representative's surprise, dressed in casual clothes and sandals: some people are so powerful they need not show it. To some partners, the Bank must look like the juggernaut that would crush everything in its path. This institutional impression is complemented by the behavior and life style of staff members, their arrogance, and their perks. Yet the sort of World Bank that could be a genuine partner in development down to the grassroots level would be inquiring rather than dogmatic, cooperative rather than normative, and experimental rather than imposing. Its staff would be partners in learning, not pundits with superior attitudes.

Discussion members suggested that longer missions in the "real" field (not the capital) might help change outside perceptions of Bank staff lifestyles and possibly staff attitudes as well. One participant suggested including exposure to community development as a promotion criterion. Resources were *not* seen to be a constraint, particularly more resources "lavished on ourselves." Some NGO representatives said that the Bank's culture and image get in the way of recruiting the people the Bank wants (because they would be seen as betraying their constituencies).

Discussion members agreed the Bank needs people with listening skills. These skills are just the opposite of what the Bank culture currently rewards—people in the Bank are encouraged to show off their ideas verbally. This can work against participation, if verbal facility with sophisticated ideas overwhelms other people and makes them unwilling to present their ideas with perhaps less verbal facility. Bank personnel need to learn the "science of dialogue." This phrase emphasizes that cooperation in a development process is an act of partnership—a two-way communication involving listening, disclosure, negotiation, conflict management, a stance of respectfulness, and many related processes both obvious and subtle. It is a skill and an attitude—often learnable—not a simplistic process of learning the words spoken by others.

The group then talked about ways in which the Bank could be moved toward this improved model that is more favorable to participatory development. The role of self-view was seen as important; if the Bank sees itself as the subgroup wished to see it, then it should have a head start in changing toward this model. But if the Bank tries to be many things to many people and, consequently, has many objectives, all changes will be shifts of emphasis at the margin rather than radical conversions. Nonetheless, the scope for learning and for changing in the light of the knowledge acquired is considerable, and there are a number of ways of doing this.

The Bank can learn by doing. It can, for example, decide to foster pioneers by giving them visibility and rewards and can recruit and promote demonstrated pioneers. It can change its culture from the top down, too, by training managers and rewarding them for certain types of risk taking that are rich in learning potential. It can emphasize in its staff development program facilitation skills and other aspects of the self-manage-

ment and participatory models that it would like to foster in its projects. It can use these means to build teams and shared values. It can take decisions on tactical decentralization to field offices with key responsibilities for developing participatory processes. The Bank can also encourage staff exchanges with NGOs and other institutions, which would get Bank staff more into the "real" field and in contact with participatory projects. Ultimately, all this learning and doing could bring about an institutional evolution in the Bank toward a greater capacity to promote participatory development.

### Finding the "Right" People

On the personnel issue, the question was raised, "Where does the Bank find the 'right' people?" The discussion focused on the right specialist versus the committed generalist. The conclusion seemed to be that participatory development involving the Bank has been successful when led by determined generalists. The two most important qualities required are commitment (whether by a specialist or a generalist) and Bank experience. Placing the limited number of specialists to leverage their skills and knowledge was also seen as important, although the discussion about whether they should be in enclaves (sector and operations policy/technical departments) or in the front lines (sector operations divisions/country departments) was inconclusive. A specific suggestion was made that project teams should include a social as well as a technical and a financial-economic dimension. There was also a related discussion about the importance of a charismatic Bank task manager (there were differences of view about the importance of charisma, and task management versus teamwork) and the continuity of the implementors in the field.

In any case, there was discussion of the need for development of specific supplementary skills,

both technical and managerial, fostered by an environment and culture that would give high priority to those skills. These skills could be developed in ways as diverse as workshops within the Bank and mutual learning through participatory rural appraisal. It was agreed that facilitation skills were important to promoting participatory development, but there were differences of view about whether Bank staff (seen as professional and technical experts) should develop skills, or whether the Bank should hire consultants for this purpose.

On the question of how to acquire and maintain the right skills, the subgroup saw the need for balance between: (1) recruiting certain under-represented skills (for instance, those of sociologists and social anthropologists), (2) training and sensitizing existing staff to become more participatory in their approach and to learn new skills as needed in their area of expertise, (3) maintaining expert skills and leveraging these through the sharing of experience, (4) keeping up to date with what is going on outside the Bank, and (5) disseminating the best internal and external practices.

Regarding the criteria for selecting candidates both for internal "recycling" and for new recruitment, academic background or profession was seen as only one element in a triad. Field experience in participatory development was held to be very important as well. The third element was personal attitude—having a frank and open approach to experience and people. This hard-to-define question of attitude and approach would be a particularly important factor in the earlier stages of the process of change.

The tactical shift to field offices could build on existing successful experience with locally recruited professional staff, whose knowledge of local customs is invaluable and who provide a continuity of relationships difficult to match using staff sent from Washington.

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# 9

## *Working with Others*

*Smita Lahiri and Warren Van Wicklin*

### **Five Key Themes**

*Smita Lahiri*

Two groups were assigned the same discussion topic, "Working with Others." The two groups merged and then broke up once again into four small groups. This section covers the issues addressed by the two subgroups and is a synthesis of two separate sets of notes taken by different recorders.

These groups had been assigned questions 1, 7, and 8 for discussion. The issues that emerged from the discussion fell into five key areas: sharing information, modifying the project cycle, strengthening local government, building on small-scale projects, and rethinking Bank procurement and disbursement guidelines.

### *Information Sharing*

The groups clearly advocated opening up the Bank's restrictive policy on disclosure of information and recommended that the Bank:

- *Forgo the politics of secrecy.* The area of information access is sorely in need of reform. Since few channels exist for lobbying on this issue, one of the ways of bringing about such reform seems to be by placing direct outside pressure on the Bank-wide learning group on participatory development.

- *Improve information distribution.* Nongovernmental organizations (NGOs) and other local-level organizations are denied access to needed information (even when there is no reason for keeping it secret) by the prevailing Bank disclosure policy. In most member countries, the Bank library is completely off limits, and it is extremely difficult to gain access even to supposedly declassified documents. Some NGO professionals are able to gain access to documents through personal contacts in the Bank, but only a select group enjoy this privilege. The information hoarded by the Bank can be of much use to NGOs and local organizations.

- *Increase awareness of Bank activities.* In addition to scrutinizing the practices of regional offices with respect to information distribution, the Bank should attempt to publicize operations before they reach the stages of approval or implementation by publishing a quarterly update of forthcoming projects and their status and distributing it widely to NGOs and scholars.

- *Rethink the Bank's "classified" culture.* The Bank should reverse its current policy on disclosure of information and make all its publications available to the public unless the sensitivity of the material explicitly merits classification. The need to respect the wishes of governments to restrict sensitive information has become a much-abused pretext through which the Bank maintains its exclusionary stance. The rights of governments can be equally well served by raising the principle of

information distribution early in the Bank's negotiations with governments and by publishing information in classified and unclassified versions when necessary.

### *Making the Project Cycle Participatory*

From this discussion emerged the view that the issue of "consultation versus participation" is a sterile one. Projects with a highly participatory decision-making process make up only a tiny percentage of development initiatives. A policy is needed to ensure that even large-scale top-down programs achieve a minimum level of popular legitimacy; this can be done by disseminating information and inviting feedback (consultation) at different stages, thus making the development process participatory in a cumulative sense. The following six steps were proposed to fostering a participatory project cycle:

- *Redirect initial research.* Economic and sector work, country strategy work, and long-term perspective studies need to become more participatory, both in focus and in process. Country-based programming, in which a project evolves out of knowledge of local needs, should be emphasized. The Bank should place a premium on humility and openness on the part of its staff; information gathering should be a joint effort, reflecting the multiplicity of perspectives of NGOs, local self-government organizations, and grass-roots movements.
- *Establish long-term dialogue with governments.* The Bank should place its emphasis on participatory methodology at the outset of negotiations with governments.
- *Inform those affected early and iteratively.* People should be made aware of the ways in which a forthcoming development program will affect them. The means by which information will be conveyed and consultation accomplished must be specified in the project draft from its earliest stages on. The mandate recently extended to environmental assessment teams for consulting the people affected by a program is highly ambiguous, for it fails to specify the means, scope, or iterative process that should characterize this "consultation."
- *Seek early feedback from NGOs, local self-government organizations, and people's movements.* It is important to promote the tradition of preparing, disseminating, and inviting feedback on a "sub-zero"

project draft, for it is at this early stage that participation can be most effective. The more finished a project plan, the more defensive technocrats become about revising it.

- *Promote participatory evaluation throughout the project cycle.* Activate mechanisms through which popular opinion can be tapped in a timely manner. (Specific suggestions are advanced below.)
- *Use successive evaluations to transform "informing" into "decision making."* Following the steps outlined here will help ensure that people's influence over development decisions affecting them is not solicited at any one point but is instead exercised over the cumulative process of the project cycle. In this schema, evaluation is not relegated to the end of the project cycle but becomes an integral part of it.

### *Strengthening Local Government*

The effectiveness of the series of steps outlined by the group depends on the activation of local-level mechanisms for facilitating popular evaluation. The participants agreed that local self-government institutions are the most appropriate and sustainable vehicle through which participation can be accomplished. Several recommendations emerged from the discussion:

- *Maintain the ideal of promoting local governance.* Many areas of the globe are witnessing a democratization of central governments, yet the instruments of local government continue to reinforce feudal or unrepresentative power structures. The Bank should involve and promote reform of local institutions. NGOs and academics are not and cannot be stand-ins for representative bodies with a popular mandate. The fact that NGOs speak the same language as the Bank should not confer on them a privileged status as the major partners in participatory reforms.
- *Investigate local governance during information-gathering.* This issue harks back to that of diversifying the focus of sector research work at the outset of country programming. For example, the Bank routinely sanctions studies of local agricultural product markets; it can do the same to acquire knowledge about the local government infrastructure in an area. Such information is both valuable and necessary for a participatory approach.
- *Encourage NGOs to explore local governance.* Some members urged the Bank to take the initia-

tive in setting up an independent research NGO, analogous to Amnesty International, to investigate and publish case studies of the functioning, successes, and misdeeds of the government-sponsored development structure at the local level.

### *Building up from Small-Scale Projects*

While the participants appreciated the necessity of closing the gap between macro-level project design and micro-level implementation, they had a mixed response to the idea of scaling directly upward from small-scale initiatives. The consensus reached was that such attempts might well prove fruitless, while attempts to involve local government in a learning relationship with small projects could be highly beneficial in the long run. The following points spell the position out in more detail.

- *Strengths of small projects may not translate upwards.* Unusual drive and individual leadership qualities are often at the root of small project successes, and it is doubtful whether macro-planning can replicate these factors. Economies of scale would make the per capita overheads of most small projects prohibitively high on a large scale. In fact, unseemly expansion and prohibitively high financing often kill projects that demonstrate success at the grass-roots level. Finally, while it is unrealistic to expect the Bank to nominate small projects for expansion, requiring this of governments may lead to mere quota filling.

- *A useful partnership.* The Bank would use its power well by urging member governments to pair up small projects with counterpart institutions of local government. This would provide local government institutions with a laboratory in which to learn, by trial and error, the techniques and pitfalls of participatory grass-roots project implementation. The value of such a venture would lie not in the success or failure of the imme-

diately project, but in the lessons learned during collaboration.

### *Review of Procurement and Disbursement Guidelines*

Shortage of time and, in some cases, a lack of background information on Bank guidelines prevented these issues from being discussed in depth. The groups made the general recommendation that procurement and disbursement guidelines be rethought from a participatory point of view and put forth the following ideas:

- *Ensure that guideline information is readily available.* Many participants held the perception that the Bank's procedures are highly complex and centralized and that general lack of familiarity with them results in inappropriate usage by borrowing governments.

- *Encourage competitive bidding for contracts.* This measure might protect against misuse of funds during the procurement process. Dissenters pointed out that the bidding process is itself nonegalitarian and open to misuse; it also can cause delays in project implementation.

### *Conclusion*

Both groups emphasized that the Bank must promote and accept as new partners in development all antipoverty agents: NGOs, local self-government organizations, and popular grass-roots movements. The differences between these players must also be clearly recognized, with preference going to the one with a sustainable popular mandate. One group remained consistently animated and focused on the issues it set for itself. The other group never quite became integrated. Dynamics were tense and some participants evidently withdrew in frustration from the proceedings.

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## **Bank Constraints on Participation**

*Warren Van Wicklin*

The second day of the workshop worked out much better than the first, perhaps because of the composition of the subgroup, of which every member, save one, was a Bank official. The subgroup proved extremely cooperative, with each person address-

ing and contributing to the immediately preceding point. The discussion proceeded logically and effectively. Another reason the workshop functioned better at the small group level was because it was slightly more immune to what I call the "PC virus"—that is, the growing tendency among well-meaning development professionals to make politically correct pronouncements rather than to say

anything that might brand them as heretics. The small group was also more immune to the tendency of speakers to broaden a discussion beyond its intended focus.

### *From Small Group Back to Subgroups*

Both "Working with Others" groups combined for this task. The three questions to be addressed, questions 1, 7, and 8, were reformulated to have more of an NGO than a Bank orientation. There was strong group resistance to being limited to the existing questions. Two Bank task managers wanted the focus on the Bank as well. After several efforts to find principles or topics around which subgroups could organize, the facilitators gave up and resorted to random division into four subgroups, with each group permitted to frame its work as it saw fit. This was seen as a victory for participation over authoritarianism. Interestingly, it was Bank personnel who led the victorious struggle against other Bank personnel. Most non-Bank personnel appeared to favor the open-ended approach.

Because all but one of the members of the subgroup were Bank staff, the conversation quickly turned to Bank rationales and procedures, and what could realistically be done to promote participation and working with others. One Bank official stated the need to understand Bank rationales in seeking accountability and transparency. He acknowledged real constraints about what we do not know and the need for intellectual leadership in this area. Constraints of both NGOs and the Bank were recognized. How, it was asked, does the Bank go about building in-country capacity for participatory development?

### *A Case Study Experience*

A Bank task manager stepped forward and presented in compellingly personal terms his own struggle to bend Bank rules and seek substantial popular participation and decision-making control over the design of his project. He had used a United Nations Development Program (UNDP) grant to perform rapid rural appraisal and a Japanese grant to do a participatory assessment. He had to bend the competitive bidding rules to hire the Bedouins he wanted for the job. The host government was not interested, but the task manager got an exception for his project, citing the impossibility of always going through the bureaucracy.

The senior Bank manager wondered why an initiating executive project summary was not used to avoid these problems and why Bank staff do not turn to the Food and Agriculture Organization (FAO) for funding in these types of situations. The other Bank staff asked many questions and a true, heartfelt dialogue emerged.

### *Participation as Obstacle and Opportunity*

Financial, procedural, and staffing constraints all work together. It is a real struggle to overcome all of these to produce a participatory project design, much less participation in practice. The Bank has never really involved people in project design before. Two other Bank staff argued that participatory technology has changed greatly in 20 years and that a lot of it is common sense. One Bank person chose to look at the bright side: constraints produce challenges, which present opportunities, which lead to dialogue, which leads to trust.

Participatory projects are risky, usually highly unprofitable, administratively overwhelming, and hard on Bank task managers and staff, but they could have big payoffs. In some ways, one participant commented, this goes back to the Bank tradition of not doing the proposal itself. While rigorous appraisal processes must be maintained, the Bank can act as a catalyst, pushing design down to the local level, basing it more on need and demand. One of the reasons participation is difficult is that its benefits are hard to calculate and it overwhelms administrative capability. Nonetheless, institutional sustainability must be promoted, or nothing will be left after the project is over.

### *Two Cautionary Case Studies*

Another Bank staffer provided two more case studies with a more critical bent. In the first case, \$1 million had been provided for a more participatory project design. People with both "hard" and "soft" expertise were brought together, and the need for institutional restructuring was recognized. At the end, however, the social science input was shut out and put in annexes, even though the project was held up as innovative. The task manager understood that decision making ought to have been at the provincial level but conspired with the government to get a centralized institutional design through. He got approval and a promotion. Everyone pays lip service to participation, but expertise and power are needed in the right

place to make it happen and translate good intentions into action. In the second case that also was held up as innovative, the village-based planning criteria were predetermined, the driving force was construction, and there was no accountability.

The task manager on the second case was a sociologist, but a covert one who tried to pass himself off as an economist. Organizational development is not a recognized profession in the Bank; sociologists and other social scientists disguise themselves as economists to earn respect. This is ironic because social scientists are naturally more oriented towards participation. When engineers and other technically oriented professionals try to adjust to participatory projects, they often have trouble making the transition. Although anyone with guts can get a project stopped for lack of participation, this rarely happens because promotion often is based on quantity of projects produced and money lent, not stopping projects. Task managers themselves must be empowered and recognized for pursuing other values, in addition to moving projects.

#### *Recommendations for Achieving Greater Participation*

After the group listened to the three case studies and discussed their ramifications, the senior Bank official suggested that each member of the group contribute a recommendation. First, the one non-Bank member suggested incorporating participation at the earliest stage possible, such as at Bank-government meetings. Another group member suggested that skills for promoting participation must be appreciated. Other suggestions included the need for incentives in order to achieve results at the grass-roots level, not just appraisals

and project designs. Building trust requires mutual respect; humility works better here than aggrandizement. There is a need to unpack the project cycle and use pilot projects. This keeps fragile organizations from being overwhelmed with money at the outset, keeps interest from flagging during the normal waiting period for project appraisal, and makes further disbursements contingent on early progress in achieving a participatory process. Throughout the process, it is important to nurture institutional development and to use the triangular image (people, their governments, and the Bank) to focus on capacity. One member mentioned that she has been accused of selling out by coming to the Bank, which leads to the suggestion that the Bank should be more responsible and accountable for its work and image.

#### *Reformulating the Recommendations into a Group Report*

Recommendations were based on positive and negative experiences. The objective is sustainable institutional development and greater success at the grass-roots level. The means are risk management, skills, commitment, appreciation of non-economic contributions, and incentives. The approach uses the triangle image—Bank, government, and the people; applies to all phases, especially upstream; applies to country strategy as well as projects; and centers on getting the community involved early and starting small to facilitate people's participation. The values on which this approach is based include trust, accessibility, and accountability and responsibility for one's own image. These ideas formed the core of the report to the entire workshop.

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# 10

## *Outside Pressures*

*Rumana Huque*

It is clear that no regular channels exist within the World Bank's present structure that encourage outsiders to pressure the Bank in its decision-making process. However, the Bank is not hermetically sealed from outside pressure. Several participants believed that the environment policy that the Bank has instituted has been shaped significantly by pressures from environmental advocacy groups.

Going on the assumption, then, that the Bank is open to outside pressure, the group's discussion revolved around two approaches: (1) how different outside groups can be encouraged to exert effective pressure on the Bank to be more participatory, and (2) how the Bank can start to respond better to outside pressures.

Before moving to the "how to's," we need to establish why the Bank is trying to promote participation. The main partners of the Bank are borrowing governments, regardless of how representative they are or how much backing they have from the people. Who pressures whom in the development process ultimately depends on who the perceived partners are. If the Bank is serious about participation, it has to learn to treat both governments and people as partners.<sup>1</sup>

### **Enhancing the Ability of Outsiders to Pressure the Bank**

The entire group came to a consensus that outside pressure will have an impact only if the argu-

ments are informed arguments. How much do people, and governments for that matter, really know about the work of the Bank? The lack of information is a real constraint, both to people's ability to participate and to the Bank's ability to use local information effectively. Information sharing is thus of paramount importance.

Group members felt that the Bank should establish a culture of openness: staff should be encouraged to share information unless there is a reason for confidentiality. In this context, the volume as well as the quality of information that is made available to governments, nongovernmental organizations (NGOs), and people's groups is important. The literature in the field of development, for example, is so expansive that it would be easy for anyone to be deluged by piles of paper. Also, most Bank documents are not written for local audiences. Appropriate, succinct, and lucid materials need to be developed and disseminated. The timeliness of information is also important. Often, the Bank consults with NGOs only after the lending operation has already been designed. Information should be provided at an early stage and adequate time provided for responses before final decisions are made.

Project officers and task managers are in key positions to be able to reflect on the project cycle and to identify specific "entry points" where consultation would be most effective.

Often it is governments that impose confidentiality constraints on information. As part of the

preparation of a project, Bank staff should engage in dialogue with governments about the information policy for a proposed project. Subsequently, it should be easier and less controversial to issue a simple document about the project or to call a public hearing of some sort.

There needs to be reciprocity of information. Just as the Bank hopes to gain from the insights of people, people also need to get feedback on what has been done as a result of the information they provided.

An attempt should be made by the Bank to establish partnerships with intermediary organizations in developing countries, such as foundations and resource centers, to disseminate information. (It would be up to the resident missions to establish ties with local institutions for information dissemination.)

Indigenous NGOs in developing countries might consider allying themselves with groups within developed countries that could have a more direct influence on the Bank.

It is, however, not the lack of pressure from the outside that has prevented the Bank from being more participatory. The problem lies more with the Bank's failure to listen to what outside groups have to say and to respond to their views in a constructive manner.

### **Increasing the Bank's Capacity to Respond to Outside Pressures**

There was general agreement that the attitude of Bank staff overall needs to undergo quite a dramatic reorientation if the Bank is to have a more participatory ethos. Staff need to listen to and consult with people more and to be more sensitive to the local environment.

#### *Identifying the Right People within the Bank and in the Field*

Specific issues of staffing were dealt with in another group. However, it was felt that the emphasis here should be less on changing the attitude of every staff member and more on pinpointing people within the Bank who are already sympathetic and share similar values.

While some staff members may feel despair that organizations and institutions within the developing world capable of designing, planning, and implementing programs are still at an embryonic stage, it was emphasized that the right kind

of people are out there, that people are organized, and that they are ready to work with the Bank.

Bank staff need to link up with these pro-participation individuals and groups within the governments and NGOs to share information, opinions, and experiences and to plan, design, and implement projects together.

The Bank's resident missions have an important role to play in this identification process. Since they are the ones dealing with the beneficiaries of Bank projects, they can act as "sensors." One way to increase awareness in resident missions of the main actors involved in a particular project is to ensure that the resident representative spends more time in the field and less in the capital city. Within each resident mission, the Bank needs to establish a core group of indigenous staff who will ensure continuity within the projects and allow Bank staff to form linkages with local groups and organizations.

#### *The Cross-Fertilization of Experience*

The group looked next at ways to institutionalize the manner in which views by these different groups are heard by the Bank. Dialogue with project officers and task managers is, of course, the best method. Another way is to establish a program for NGO staff to come to the Bank and work with Bank staff on specific projects or studies. This would provide an opportunity for Bank staff to better acquaint themselves with the NGO for future partnership as well as to share experiences. The NGO members may also have a role to play in training Bank staff.

The Bank needs to recognize the comparative advantages of other agencies. A mechanism should be set up to enable the Bank to consult with other agencies that have a participatory focus (like Oxfam, for example).

#### *Changing the Bank's Reward and Incentive Structure*

Within the Bank, there is pressure from the top to complete projects, and the concentration is on numbers and quantities of projects, loans, and so on. The reward and incentive structure needs to change so that people are prompted to take on projects that are more participatory, even if they do take more time and more resources. This could be achieved by:

- Viewing and managing time pressure differently, so that task managers can take on time-consuming participatory processes
- Providing easier access to funds and resources (like more supervision weeks) for participatory projects
- Giving recognition to staff members who have demonstrated a commitment to participation
- Changing the format of the staff appraisal report to incorporate reporting of participatory aspects.

In the same vein, if the evaluation process for Bank projects fails to consider the extent of participation, there will be less incentive for task managers to attempt to incorporate participatory approaches. The Operations Evaluation Department should thus look more systematically at participatory components in projects and evaluate them accordingly. For the Operations Evaluation Department to be as impartial as possible in its evaluation, it was suggested that it should become an autonomous body and that its director should not have close affiliations with Bank staff (that is, should not be a career World Bank staffer). Failing that, at the very least the evaluation team for all projects should include outsiders like NGO representatives, government officials, and academics.

### Next Steps

After the Bank has come to terms with how it is going to address the governance issue, the learning group can focus on whether certain procedures will be institutionalized that will require governments to be more participatory. If the Bank can make governments follow strict rules about, say, procurement procedures, it can also insist on measures like public hearings that will insure consultation with people.

The Bank can also persuade recalcitrant governments by issuing a statement that it favors and is ready to finance participatory projects proposed

by governments. This will most likely set off a proliferation of project proposals with participatory components, because governments want the financing. (What is important here is to ensure that the projects are really participatory and representative.)

### Some Concluding Remarks

Many members of the group felt that the Bank has a poor reputation in much of the developing world, especially at the grass-roots level. The Bank has much to gain from the support of NGOs and grass-roots organizations in the learning process on participation initiated by the Bank. NGOs should be informed of current attempts to change the culture of the Bank from within. This might be done through a popular handbook, in plain English (or Spanish or French), which can be disseminated to NGOs in the member countries.

The experience of many staff members is that the Bank is willing to accept new ideas. Bank staff must take the initiative to get an idea going and then persuade management to buy into it. Many suggestions have come out of the small group sessions. The 20 selected projects provide excellent opportunities for the Bank-wide learning group on participatory development to try out some of the suggestions on a pilot basis and to work out a practical strategy for turning some of this experience into Bank policy.

### Note

1. A cautionary note was injected into the discussion at this juncture. In trying to take people's opinions into account, the Bank must choose prudently the "people's representatives" to whom it will listen or with whom it will be a partner. There are many opportunists in the development field who purport to speak in the best interests of the people. Some might be in a position to pressure the Bank; they need to be considered carefully, as they are not necessarily representative.



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*Part III. The Swampy Lowlands  
or the High Ground:  
Five Issues Papers*

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# 11

## *Demystifying Popular Participation: Institutional Mechanisms for Popular Participation*

*Thomas Dichter*

### **What the Literature Tells Us**

Fostering popular participation is a deeply serious matter, but it is not rocket science. When the reams of paper on the subject are put aside, we development professionals sense intuitively that participation is a good thing, and we know how to foster it:

- Help people reflect on their own condition
- Speak their language
- Live with (or at least spend time with) them
- Take their interests and values into account
- Respect them as individuals
- Find ways to get them to have a stake
- Train them
- Create appropriate reward structures
- Pay attention to detail
- Take adequate time
- Do your homework.

These are the basics of popular participation. We all (NGOs, the World Bank, governments, and others) need to get back to them. That is the simple answer to the questions this paper has been asked to address for this workshop: which institutional devices to promote participation are most appropriate in different situations? How can government extension services become more demand-responsive? How can governments encourage popular participation through public policies to NGOs?

The growing literature on popular participation, much of it written in the last 10 to 15 years, provides more sophisticated and involved answers to these questions. The literature covers the theoretical elements of popular participation and the reasons to foster participation. The debates and conflicts about popular participation, really quite few when compared to other issues, are also well covered.

For example, there is the mildly ideological debate over whether popular participation is a good in itself (representing the goal of empowerment of the poor and, in the larger political sense, the goal of democracy) or a means to an end—project sustainability. The literature states the practical advantages of participation for project effectiveness and sustainability: participation can reduce waste of project resources and lead to recurrent cost recovery; most important, it gives people a stake in the project and thus makes them willing to support it. The literature also covers the negatives of participation: it is difficult, time-consuming, and tricky; it can permit elites or free riders to get more than their share; it can stir up conflicts that traditional society and culture have been able to keep under wraps; it can alienate governments; and so on. There may be limits to what can be done to overcome these negatives, as well as limits to what institutions can accomplish in fostering popular participation.

The literature emphasized by the agencies wanting to foster more participation reminds us repeat-

edly that participation is often inconsistent with patterns of reward and behavior in the sponsoring institutions. We are told that the costs of participation are upstream, the benefits downstream, and so putting energy into popular participation may not be cost-effective from the perspective of many of those institutions. Several papers by and for the World Bank have noted the likely Bank constraints—the nature of Bank staff (too many economists), the close relationship with governments (can't get involved in politics), the project cycle (not enough time, too many details required up front), and tight administrative budgets (spending open-ended time in the field is difficult).

The literature is also replete with “how to’s,” especially for field practice. Many NGOs have published their methods of doing popular participation. During the 1980s, we saw several handbooks, thoughtfully done, some even by sector. For example, the American Public Health Association’s 71-page book *Community Participation* (1983), concentrates on primary health care, offering many practical guidelines on everything from budgeting for participation to screening out groups with low interest. In Oxfam’s 1985 *Field Director’s Handbook*, participation is a central concept, and methods to promote it run through the book. The *Participatory Rural Appraisal Handbook* (1990), published by the World Resource Institute jointly with several others, gives practical details on this methodology, as do the several descriptions in print of the work Robert Chambers has pioneered.

As for research, there are a number of typologies of kinds and levels of participation, and, in attempting to make correlations among these, there is some interesting food for thought about when participation may be central and when it may not be necessary at all. Mickelwait and colleagues (1979) argue for participation based on financial contributions by the participants—what one might call real stakeholding—demonstrating that financial contributions by farmers were strongly related to project success. Finsterbusch and Van Wicklin, in a 1987 study of infrastructure projects (clinics and roads), found that direct participation variables such as involvement in planning and initial decision making were less important than ensuring adequacy of communication, increasing community capacity, and fostering local control of outputs. After looking at the dynamics of the project (a generally neglected tack in much of the literature), they suggest that participation may be more important during the implementation and maintenance

phases than in the planning stage. (All the research, of course, contains appropriate caveats about limited samples.)

Thomas F. Carroll’s (1992) recent research would seem to provide many of the answers to issues the Bank wants this paper to address, particularly, the kinds of institutions that work best to promote participation. In *Intermediary NGOs: The Supporting Link in Grass-roots Development*, Carroll searches for these performance characteristics among 30 intermediary NGOs in Latin America, with participation as one of three main evaluation criteria. His research, rigorously carried out, adds some new dimensions to the framework for thinking about organizations and institutions.

In addition to formulating a refined typology of these intermediary NGOs, he notes the importance of capacity building and the role that intermediary NGOs can play in legitimation and building bridges with other institutions. He covers succinctly the many things the literature already tells us about the gap between the promise of NGOs and the realities of their limitations. Most interestingly, he focuses with care on the typological distinction between NGOs that concentrate on service delivery and those that are oriented to change. In this, he echoes Sally Yudelman’s research, as well as a USAID-sponsored Water and Sanitation for Health Project (WASH) paper by Paula Donnelly-Roark. (Donnelly-Roark says that the projects that most need a participatory basis are those that aim to change the way communities do things). Insightfully, Carroll goes further and links service delivery to change, pointing out that service delivery should be “evaluated on its instrumental value as a catalyst for other changes” (p. 105). Thus he comes around, with solid evidence, to what some others in the literature have said about the need to first deliver a “carrot” to get a participatory change process started (see, for example, Dichter 1989).

All the while, Carroll’s research continues to confirm the basics of popular participation. For all its sophisticated analysis and subtle distinctions, these basics keep coming through—and they are unsurprising:

The involvement of the poor in all phases of development activities and their sense of ownership of the development process are essential elements in the appropriateness, fit, implementation, and eventual sustainability of activities undertaken by CSOs

and MSOs [grass-roots support and membership support organizations]. (p. 202)

It is very clear that an open, collegial management style, which builds confidence and trust among beneficiaries and support organizations, is a key organizational quality [for promoting popular participation]. (p. 205)

The [NGOs] in the sample have changed the traditional nature of extension services. Instead of relying on outside specialists to disseminate a package of information and techniques, many have employed field promoters with an excellent knowledge of the language, circumstances, and people in the areas in which they work. These promoters tend to function as problem solvers rather than as only technology disseminators, working with beneficiary groups to identify their needs and link them with the appropriate resources. Through this responsive approach and sensitivity to beneficiary circumstances, these new-style extensionists gain the trust and respect of their clients. (p. 84)

Given the nature of the literature reviewed above, it appears that the answers to the Bank's questions are known. Not only much of the outside literature but many of the Bank's papers (for example, those by Paul, and Nagle and Ghose) offer good answers. The uninitiated, or the unconverted, are invited to read the literature.

### **Mismatches that Compromise the Quality of Participation**

The literature, however, does not address an entirely different issue: the problem of quality. While we know a great deal about participation, we don't act on what we know, and when we do, we compromise on the basics far too often. Thus, perhaps what can be of help on the institutional front is not a set of "how to's," but rather a guide to some of the cultural mismatches inside institutions (including the Bank) that result in poor-quality promotion of participation, and some suggestions on how to alter that situation.

#### ***The Mismatch between Artistry and Science***

One answer to the quality question may have something to do with the way we, as professionals,

continue to cling to standards of what Donald Schon has called "technical rationality."

Schon (1987), in an unusual book called *Educating the Reflective Practitioner*, uses a compelling metaphor to get across the idea that there is a crisis of confidence in professional knowledge:

In the varied topography of professional practice, there is a high, hard ground overlooking a swamp. On the high ground, manageable problems lend themselves to solution through the application of research-based theory and technique. In the swampy lowland, messy, confusing problems defy technical solution. The irony of this situation is that the problems of the high ground tend to be relatively unimportant to individuals or society at large, however great their technical interest may be, while in the swamp lie the problems of greatest human concern. The practitioner must choose. Shall he remain on the high ground where he can solve relatively unimportant problems according to prevailing standards of rigor, or shall he descend to the swamp of important problems and nonrigorous inquiry?

While Schon is talking about the classical professions (for example, medicine, law, and engineering), what he says applies to our own. The development industry is a young industry, and professional practice in a young field tends to establish itself, almost unconsciously, by holding itself up to the standards that give the classical professions status—often a framework of technical rationality that in law and medicine justifies rigorous training and mastery of things technical. Yet our profession, because it tries to both deal with change and instigate change, faces the messiness of the swamp far more naturally than it does the hard high ground overlooking it. While there may still be lots of private resistance to soft-sounding notions of "putting people first," "people-centered development," or "putting the last first," it is simply undeniable that development is about people, and dealing with people remains an inchoate and indeterminate art. We have our technical side (macroeconomics, epidemiology, developing and testing oral rehydration solutions, and so on). But more than most others, and more often—indeed daily—our profession must deal with what Schon calls the "indeterminate zones of practice—uncertainty, uniqueness, and value con-

flict—things that escape the canons of technical rationality.”

It is perhaps because of our unconscious attachment to the norms of technical rationality, and our resistance to the messiness of the swamp, that it is difficult to cross over to quality in practice. For in practice, popular participation is a messy business. So we spend much time breaking it down into its elements and looking for mechanisms to promote it. Then, in frustration, some of which may be behind this present workshop, we ask for “how to’s.” If we were to break out of the confines of technical rationality in which we quite naturally take refuge, we might be freer to deal with the artistry needed in the swamp. In those “indeterminate zones of practice,” how to’s, at least ones that can be generalized, by definition do not really apply. We are talking about the *art* of development rather than the *science* of it.

#### *The Mismatch between Process and Technique*

A fair number of large NGOs implement grassroots projects founded on well-articulated principles of participation. But after a number of years or even months, participation in such projects can become false. This ersatz participation often comes from two sources—the project implementors and the beneficiaries themselves. Project implementors (NGOs especially) often apply their sincerely felt ideology of popular participation with zeal. But that zeal itself can scotch the process—make it rigid and transform it into technique or a checklist mentality—and reduce participation to mere routine as the implementing NGO achieves initial success. Sponsoring institutions, such as donors or senior partners (the World Bank could be either or both of those with respect to large programs), often exacerbate the process by accepting the letter of participation rather than demanding adherence to its spirit.

In some large projects, the basics of participation as defined here are taken on wholeheartedly, with people involved from the beginning in project planning and the creation of opportunities for them to influence decision making. Consultations are conducted with villagers who gather before project or community leaders. Local-level development workers are hired who speak the language, are from the area, and are decently paid. They live and work closely with the villagers and reinforce large gatherings with smaller, more informal ones. Some of these projects, understanding intuitively

the idea of service delivery as an instrument and a catalyst for other changes that Carroll has found in his research in Latin America, offer material incentives to participants for various local improvements in the initial period. Participants see results immediately, and their participation is thereby reinforced. They are motivated to take on other community development work.

This process can work so well in the early days that the project, in effect, “locks in” the process, and new participants in new areas are henceforth approached with a set-piece methodology. From a certain point on, each new step in the project’s evolution tends to become a matter of following the now strict lines of a participation “model.”

But after some months or a year or two, what often happens is that new conditions arise in the area or other opportunities for development come into existence, in part because of the work of the original project. People begin to participate less, attend meetings less faithfully, and put their money and time into other things. They act, in short, like individuals with choices. In terms of project goals, this may or may not be a desirable change, but there is a natural tendency on the part of implementing NGO to ignore this or downplay its significance in favor of business as usual.

Thus, participation can turn from a process to a technique, which continues to assure the practitioners that they are fostering popular participation, while, in reality, it serves merely as a way to get people to agree with what the project wants to do.

#### *A Conceptual Mismatch: Individual Versus Community*

In much of the literature on popular participation, the community rather than the individual is both implied object and subject, as in the title of Sam Paul’s seminal 1987 paper “Community Participation in Development Projects: the World Bank Experience.” This may not seem a serious mismatch, since some argue reasonably that in many parts of the rural Third World, community is a meaningful construct and thus a good place to start. But to the extent that the notion of community leads us away from the psychological makeup of individuals, a focus on community can tend to muddle the basis for participation and complicate the task.

Max Weber said, “Interpretative sociology considers the individual and his action as the basic unit...the upper limit and sole carrier of meaningful conduct....” In general, he reminds us, “such

concepts as 'state,' 'association,' 'feudalism,' and the like designate certain categories of human interaction. Hence it is the task of sociology to reduce these concepts to 'understandable' action, that is, without exception to the actions of participating individual men" (quoted in Gerth and Mills 1961, p. 55).

If and when we forget this common-sense fact, we are prone to mismatching the community and the individual and diverting our attention from the basic *raison d'être* of participation: getting individuals involved, helping them as individuals to have choices, empowering them as individuals, even though they may be in a group.

We also lose a powerful tool. By positing participation as something that has to do with communities, which, we correctly point out, are often different in the Third World, we can fall into the trap of thinking there is something fundamentally different about the individuals, too. Cultural differences notwithstanding, we humans are generally alike in that we act on the basis of a degree of self-interest. Thus, a key to participation—ensuring that individuals are responding to real incentives to participate (and continuing to monitor whether that remains the case throughout a project)—can easily get lost.

#### *Participation as an Element of Development Versus Participation as the Basis for Development*

Another mismatch that seems to compromise quality is that between popular participation as an element of development planning and implementation, as opposed to participation as a fundamental building block for development. Following the tendency toward technical rationality, we too often make popular participation another element of the development process that we must watch closely, add on to projects, and apply according to specially designed guidelines. But if we think of participation as motivating people to have a stake in their own development, then, in some sense, we are talking about the whole "shooting match." And yet the Bank itself defines popular participation for this conference as "a process by which people influence decisions that affect them." In the business world, for example, for all its own disjunctions, there was never a time when getting people to buy the company's product was just one element of the company's work. It was the entire reason for being. Similarly, in all grass-roots

development, whenever people do not have a stake (do not "buy in" to a project) or begin to perceive their stake to be less worthwhile than before, projects fail.

#### **Back to Basics**

If we begin with human motivation, any one of us can ask ourselves what it would take to get us to participate fully and actively in something that an outsider initiates—say a project to build a road, start a health clinic, or set up a rural enterprise. The answers are fairly obvious:

- A sense that we are respected (however that is defined culturally)
- A sense that we will be heard when we have something to say
- A sense that we are being treated fairly and can understand the rules
- A sense that following these rules will bring about a desirable effect
- A sense that we will get something (money, better crops, better health, or some other benefit) in return for our participation
- A feeling of confidence that we are not giving up anything that we view as an unfair trade-off in return for whatever we are getting.

An institution, agency, or organization that wishes to make us feel these things needs in turn to do a number of things well. It needs to communicate with us clearly enough so that we can share in the goals and understand the rules. It needs to have established routines so that its basic systems operate efficiently. If it has high ideals and clear goals but cannot get its vehicles running so we can do our work, we'll lose interest. It has to have enough legitimacy for us to believe in it and take it seriously. It has to be able to change as conditions change and learn from experience and from mistakes. It needs to understand our framework of thought and action, and to know the skills we already possess and those we need but do not yet have.

If it does all or most of these things well, most of the time (for no institution can be perfect), we will be willing to be involved with it, participate in its activities, work hard for it, or learn what it has to teach us.

With these characteristics in hand, there is no reason in theory why any kind of institution cannot promote popular participation—a bank, private company, NGO, chamber of commerce, gov-

ernment ministry, or a local government department. If fostering popular participation is an art, more than a science, the next question to ask is whether the art of development can be learned, and then whether it can be taught. Schon thinks it can. But what would be the costs involved in teaching this art? Is it realistic to believe that the World Bank, which is a bank, after all, can learn to think in this way, or is it simply too much to ask the donor community, including the World Bank, to take on this notion?

### Down to Brass Tacks

Let us recast the question. If the issue has to do with quality of practice in the swamp, what can the World Bank do to link the hard high ground to it? Here are some thoughts.

#### *Some Modest Proposals*

Six steps that the Bank could take to foster greater respect for participatory development are:

1. *Change metaphors.* The Bank must come to terms, as a matter of policy, with the basics that lead to quality in fostering participatory development, and it must embrace and reinforce these basics consistently. Over time, this will mean adjustments in other bank policies—the project cycle, the way bank employees are deployed, and more. But this does not have to be a wrenching or revolutionary shake-up. It may mean a reorientation of the Bank's way of speaking. Instead of talking about alleviating poverty as its primary business, the Bank should begin talking about changing people's stake in their development rather than asking which institutional devices to organize participation are most appropriate in different situations. That question is unanswerable in any useful way, since we already know (or should know) that this is not about technical rationality and thus not about devices. Much research energy can be poured down a black hole in trying to answer the question.

2. *Slow down.* The Bank needs to go more slowly and do its homework carefully when it looks for institutional partners for participation. It will not be easily fooled if it does not take an NGO's reputation for granted. In practical terms, this selection process could be fostered by creating a permanent Bank-wide NGO Watch Group, which would have representation from the World Bank NGO Committee and whose task would be to search out and look at NGOs and related institu-

tions around the world. The group could be called upon by other Bank departments to give a second opinion, as it were, on NGOs that have been identified as good partners.

3. *Make the money talk and be tougher on NGOs.* The Bank is a key player (possibly *the* key player) in the "project marketplace" of the development industry, an industry in which insiders increasingly acknowledge to one another that there is more money than good projects to spend it on. NGOs may criticize the Bank, and a few won't go near it with a barge pole, but in the main, NGOs will welcome opportunities to participate in projects with the Bank. Thus, the criteria for taking part in a Bank project should be demanding ones; the Bank takes no risk in setting high standards of quality for NGOs in precisely those areas that are considered proprietary NGO territory, such as popular participation. In short, the Bank is in a position to create standards, foster competition, and lead NGOs. But to do so, it may have to adopt some experiments designed both to nurture and push NGOs as well as others with whom the Bank deals. For example, it may have to develop funding mechanisms that take into account the realities of popular participation—slower funding or "stop-and-start" funding, which allows for built-in shifts as NGOs grow and as project participants understand better where projects are leading. Mechanisms may be needed to "park" grant money temporarily and to pause in project implementation until NGO absorptive capacity increases or participants reorient themselves. The Bank may also need to create a mechanism that would provide for "risk" money as a way to sort out the good from the bad among NGO field practitioners. This would mean remaining in control of the process—assuming the criteria of success are known—until there is evidence that an intermediary is ready and then rewarding high-performing NGOs by lowering their transactions costs in dealing with the Bank.

4. *Internally emulate private business in changing Bank culture.* Many large corporations have expended considerable effort in recent years on changing their "corporate culture." Improvement in their earnings suggests these methods do work. Adaptations of their techniques, which the Bank could try, might include:

- Getting the World Bank NGO committee or an internal "popular participation committee" to identify those staff who are most skeptical about

the subject of participation and arranging (on a voluntary basis) one- to three-month internships for them in NGO projects

- Creating a number of experimental "quality circles" through which different traditional Bank specialties are placed in teams around large-scale projects that have participation as a key component
- Changing the nature of staff appraisal missions for NGO projects involving participation by making them longer and involving local people as team members
- Sponsoring regional conferences and workshops on popular participation
- Bringing local leaders from target communities to speak to the Bank.

5. *Use indirect means to foster institutional capacity for participation.* To foster the basics of popular participation among institutions may require using indirect means such as education, association formation, development and use of the media, and social marketing. More specifically, the Bank could:

- Create enabling conditions for participation.
- Sponsor efforts to establish professional associations that reinforce and give greater legitimacy to development professionals who are interested in participation. Similarly, a credential could be created for extension agents or others, like LLDWs, who are practitioners of popular participation.
- Sponsor research institutions that specialize in participatory development.
- Encourage governments to set up the equivalent of local and regional Peace Corps that encourage, recruit, and train young people to become involved in development in their own or neighboring areas.
- Encourage government agencies that are involved in development to recruit new kinds of people, using a profile and interview guide, to ensure the presence of a larger number of staff with the potential to be good "artists" of participation. Likewise, these departments could experiment with changing their career-reward structures, linking them more to productivity outcomes that are related to participation.

- Encourage teamwork approaches within government development-related departments.
- Use the national media, especially radio, to reinforce participation by creating greater awareness of people's involvement in their own development. Soap operas or other dramas could be effective.
- Encourage the exchange of personnel between government departments and NGOs, including "sabbaticals," with appropriate incentives, for agents to live in rural communities or urban areas where development is taking place.
- Encourage government to offer opportunities for villagers to become extension agents (para-professional agents).
- Experiment with the formation of local boards of governance for local offices of government extension agencies. And create competition by setting up private extension services.

6. *Finally, the Bank could, in partnership with other agencies, sponsor research and development on:*

- Fiscal incentives for NGOs that practice the basics of participation
- The nature of NGO registration laws in a given country
- Educational incentives for careers in development and in NGOs
- National auditing requirements and standards for NGOs, including governance requirements (which can be part of registration laws).

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# 12

## *The Building Blocks of Participation: Testing a Social Methodology*

*Michael M. Cernea*

No matter how intense or loud, the advocacy for people's participation in development programs remains gratuitous rhetoric if it is not translated into a *how-to* social methodology for making popular participation real.<sup>1</sup>

The specific elements of such a social methodology include: the identification of the *social actors* who will carry out the program; the conceptualization of the program *goals* and participatory *principles*, in line with the needs of the social actors; the organization of adequate *linkage systems* and *forms of cooperation* between government agencies and the grass roots social actors; the establishment of *information and communication patterns* and *procedures* for joint decision making, particularly about financial resource allocation and selection of priorities; and *mobilization* through structures and authority *mechanisms* endogenous to the group of social actors.

To understand how participation can be achieved and how social tools can be developed for this purpose, this essay examines the two-decade-long process that started in the early 1970s through Mexico's large-scale Integrated Program for Rural Development (Programa Integral para el Desarrollo Rural—PIDER) and is currently being continued by Mexico's Decentralization and

Regional Development Project (1991). The paper focuses on the experimentation process that created PIDER's methodology for involving the participation of beneficiaries into the actual planning of investments for local projects.<sup>2</sup> The resumption of many of PIDER's approaches under the new Decentralization Project is a testimony to PIDER's innovative path and enduring contributions.

PIDER has been a major program for rural development, targeted primarily to the poorest municipalities of the country. PIDER's enormous financial resources were never allocated just for a few large, very costly infrastructural investments but were directed instead to thousands of small projects tailored to the needs of individual villages or of village subgroups. Administratively located within Mexico's Federal Secretariat of Programming and Budgeting (SPP), PIDER did not dispense these investments itself but operated in conjunction with technical line agencies that channeled funds to specific small rural projects.

Among PIDER's objectives in carrying out these local projects was to develop a *model* for consulting farmers about these investments and for involving communities in prioritizing, planning, and executing the most needed local projects. This institution-building goal and the creative work that went into

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*Note:* This paper, presented in the workshop on participation, is an abbreviated version of a more detailed and documented study. The reader interested in learning more about the social experiments described in the paper is invited to consult the full study (Cernea 1992).

accomplishing it yielded some of the most worthwhile "lessons of experience" from PIDER.

From the beginning, PIDER determined to avoid the conventional top-down planning that characterized most rural projects in Mexico. It was clear that government planners lacked the requisite knowledge of local conditions to choose wisely among the proposed projects. Politicians and local elites exploited this ignorance to capture public investments for projects that benefited primarily them, disregarding the acute needs of the poorest strata. Even well-intentioned planners, without proper knowledge of local needs and potentials, could do no better than relate paternalistically to the communities, programming the investments they assumed were needed. Here, too, the outcomes were largely unresponsive to the needs of the poor.

Beneficiary involvement in making investment choices appeared critical to PIDER. The objective was not solely "democratizing the development process" (Clark 1991), even though the political and educational justifications for participation are worthy goals in themselves and democratizing the process of public investment is a key to capacity building. PIDER, however, was also very interested in achieving economic efficiency and technical soundness.

Therefore, in 1974 PIDER management resolved that a new set of procedures was needed to identify priority needs and optimal investments at the community level. PIDER tailored a new planning methodology, in which the beneficiaries were recognized as and allowed to be direct social actors. Financial planning for local projects was to be based on the peasants' knowledge of available resources and definition of needs and would involve their participation in executing the planned projects.

PIDER mandated the Research Center for Rural Development, or Centro de Investigacion para el Desarrollo Rural (CIDER) to prepare, design, and test such a methodology. CIDER's contribution was expected to be a large-scale action research exercise rather than a desk-bound report. The goal was to develop and test empirically a set of procedures that would eventually be articulated in a bottom-up planning methodology. The specific activity for which a social methodology was developed was the prioritizing, planning, and implementation of local investments. The objective became to enable all the social actors—planners, executing agencies, and beneficiaries—to contribute jointly to the planning and implementation of local projects.

## Capacity Building and Methodology Generation

Both PIDER and CIDER realized that introducing participation was a formidable task. It required not only involving large numbers of expected beneficiaries in taking on new responsibilities, but also changing the manner in which large state and municipal bureaucracies were accustomed to practice their roles. It also required inventing new methods and procedures for planning, creating new institutional arrangements, making changes in legal provisions about resource allocation, and so forth. In short, the entire machinery of the public sector involved in PIDER would have to learn to select, design, and execute local investments in a new manner. The only practical way to meet this goal was to build this capability gradually. Staff and resources had to be assigned to the special capacity-building effort.

To prepare PIDER for participatory activities, CIDER created a special work group of professional researchers with a multidisciplinary skill mix (sociology, economics, social anthropology, and agronomy).<sup>3</sup> PIDER management gave this capacity-building group the needed authority to design new methods of mobilizing local communities and to subject the proposed procedures to repeated experiments during actual investment-planning work in PIDER microregions. Formulating a social methodology for community participation in local investments was to be the heart of the entire capacity-building process and the group's primary task.

The first important lesson on participation that PIDER's experience teaches us is the need for such a special group to cast a new framework for participatory planning. Such a job exists in every program, and it requires time and resources—both brainpower and legwork. Surprisingly, many development projects that intend to introduce participation do not even budget this job as a distinct activity. They decree participation in a "thou shalt..." manner and do not realize that a special effort is a prerequisite. Thus, creating in each program the capacity for organizing participation must be an integral, yet a clearly *distinct*, part of the program.

### *Components of the Capacity-Building Process*

Capacity building is not a one-shot affair; it requires long-term commitment and staying

power. Creating the working group was only the beginning. Next, the central CIDER-PIDER capacity-building group helped establish several local multidisciplinary teams—consisting of sociologists, economists, planners, and various technical experts—that consulted beneficiaries and examined the planning procedures in the microregions. The researchers thus had the advantage of being linked to an actual development program and its agencies at the central and local level. That meant that they were able to work from within and learn from immediate observation of the ongoing processes while enjoying a multiplier effect by constantly interacting with personnel in the action agencies.

In hindsight, six main components of PIDER's capacity-building process—through which the project's participatory approach was introduced in practice—can be distinguished:

- Creation of a multidisciplinary group responsible for promoting participation
- Elaboration of a conceptual framework to define the participatory strategy
- Sociological understanding of the population affected
- Action research and social experiments, with frequent returns to the drawing board
- Institutionalization of the participatory planning methodology.

While the capacity-building group spearheaded the effort, PIDER and CIDER management backed up the work of the group with political and managerial weight. PIDER's leadership negotiated with other entities of state apparatus to obtain room for experimenting and doing action research. Moving a vast program like PIDER onto a participatory track required the sustained support of the top leaders throughout the long process of testing, revising, and enacting new norms.

### *The Conceptual Framework for Participatory Planning*

The search for a participatory planning methodology was guided by a conceptual framework developed gradually by CIDER's capacity-building group together with PIDER managers. This conceptual framework consisted of five key ideas and principles. These ideas were informed by the sociological understanding of Mexico's rural population—its stratification, culture, and structures.

First, community development was to result from *combining* the efforts of the communities and their resources with the work and resources of municipal, state, and federal government agencies. Participation required mobilizing latent local resources more effectively than bureaucratic planning can, thus enabling public funds to go further and benefit a larger number of people. It also required avoiding the pattern of unilateral decision making usual for the government agencies' staff, who fail to consult community members or local authorities.

Second, the *self-definition of interests* by the beneficiary peasants was seen as the keystone for the local plan. Recognizing the peasants' own definition of their interests and "felt needs" is crucial to securing their participation. Therefore, investments in each regional program must support proposals put forward by the local peasants population itself. While PIDER emphasized the importance of technical knowledge in identifying development potential, it refused to give officials' opinions on peasants' problems greater credence than it did the peasants' views; nor did it regard outside experts as necessarily the best exponents of farmers' interests.<sup>4</sup> The experts and officials fulfill their role as agents of change when they help the peasants to become more aware of what technical options best suit the peasants' interests and development.

Third, *community diagnosis* was proposed as the vehicle for understanding local social stratification and socioeconomic structures. Peasant communities are not monolithic, and neither is the "farmers' perspective." Therefore, community diagnosis must ascertain what the village social stratification is and ensure that the economic priorities of various subgroups (for example, irrigated or nonirrigated farmers, landless peasants, youth, and women) are reflected as much as possible in the scheduling of priority investments.

Fourth, local priorities were reconciled with and *integrated* into the broader regional social and ecological systems in order to achieve balanced development and to enable each locality to contribute to the progress of its surrounding area. Local participation is not a recipe for or validation of autarchy.

Fifth, *iterative planning* was deemed necessary to arrive at the optimal mix of local micro-projects to meet the needs of various peasant groups. The iterative planning was ultimately formalized into a cycle of three phases: field assessment, preliminary programming, and final programming.

This conceptual framework was not rigid. It was continuously amended and enriched over the years of testing the new planning approach. One significant enrichment (through a "support program for rural community participation" adopted in 1982) was the recognition of the importance of *information dissemination* for fostering grass-roots participation.<sup>5</sup> Special guidelines were worked out to direct PIDER staff to systematically inform rural communities about PIDER's objectives, strategies, resources, and interventions. Local communities were also given information on contractors' timetables and on public resource allocation. Such information served as a means "to increase the beneficiary population's bargaining position with the [government] agencies and entities taking part in the program" (SPP 1982c); it also enabled local people to monitor both timely completion and resource use and to report poor performance to higher levels.

Guided by this conceptual framework, the action research for preparing the methodology took several years. In essence, it consisted of a series of social experiments in which the intermediate "products" (the guidelines for consultation procedures, the methods for community diagnosis, the planning methods, and so on) were subjected to one real-life test after another. The same researchers (the CIDER capacity-building group) did both the design and the field testing of the new procedures. This enabled them to avoid the trappings of a purist academic approach, detached from the trade-offs of real life; instead, they learned from field difficulties and enhanced the practicality of the proposed methodology.

### The Phases of Participatory Local Planning

The time horizon for planning local projects under PIDER had two dimensions: medium-term programming, for three- to four-year periods of investments in infrastructure and social services, and short-term programming (colloquially called "re-programming"), for the specific activities that had to be reassessed each year. The major effort for fostering community initiative took place during the preparation of the medium-term program.

The sequence of three phases recommended in PIDER's methodology comprises field assessment, preliminary programming, and final programming. In each phase, the roles of both agencies and peasant groups are carefully defined. Procedures cover both the sociological and the technical ele-

ments of investment planning, as well as defining what must be done by the local community and what kind of technical or economic feasibility analysis must be done by the agencies.

In the first, or field assessment, phase, the method for understanding the farmers' perspective is the community diagnosis (based on PIDER guidelines and manuals listed in the bibliography). In the conceptual framework of the CIDER team, "field assessment" is a comprehensive term covering several activities: data collection regarding the existing population, infrastructure, and resources in the microregion; assessment of past programs; selection of communities eligible for the program; diagnosis of each selected locality; meetings with local groups; selection of investment proposals; and preparation of an assessment report and a strategy proposal.

The second, or preliminary programming, phase entails preparing integrated investment plans for microregions. These plans are the direct responsibility of the sectoral on-line agencies; preparation takes one to two months. The investment proposals put forward during phase one are now analyzed jointly by the line agencies and PIDER, using the following criteria: internal coherence of the project (for example, the consistency of installed processing capacity with the availability of raw materials and potential markets); estimated benefits (the categories and number of peasant families that will benefit); expected income increases; and investment parameters per unit (related to PIDER's maximum investment coefficients, measured per family, hectare, or other unit).

The main criteria for inclusion of projects in the preliminary investment programs are the quality of the detailed preparation studies, the ability of one project to complement another, a relatively low investment per beneficiary, a comparatively low investment per person employed, and a relatively strong impact per unit of investment. The preliminary investment program must establish which of the proposed local projects can be considered final for purposes of preparing the final programs, which ones will be included in the next annual program for the study phase (but not yet for the execution phase), and which ones will not be included in the program at all.

The last, or final programming, phase finalizes the specific microregional project plans and consolidates them into the regional PIDER programs, ensuring overall technical and economic feasibility.

The participatory methodology recommended that, at the end of this three-phase process, the final investment program be made known to the beneficiaries, who contributed their proposals during the first phases. The community's knowledge of the approved investments, implementation schedule, and resources to be provided by the government or contributed by the beneficiaries is a prerequisite for effective implementation and monitoring of the entire program.

### **Experimenting: Back and Forth to the Drawing Board**

The action research process, through which the participation model was developed, stretched over several years. The chronology presented in table 12.1 reflects key events in the process and conveys a sense of what capacity building for organizing participation actually entails in terms of the volume of work, patience, and commitment involved. The chronology suggests the incessant "dialogue" between work at the drawing board, field testing, and actual application. In fact the back-and-forth cycle was more involved than the table suggests: it went from design to field testing, from testing back to the drawing board, then to retesting in the field and redesigning, then on to training of staff to apply the new design on a larger scale. While this back-and-forth process continued, the diffusion of participatory procedures into actual operations gradually gained more ground.

As the chronology shows, the guidelines for a participatory methodology were drastically modified after their initial testing in 1975 and 1976. At that point, at PIDER's request, CIDER organized a training program to educate PIDER staff about the principles and procedures of the emerging participation methodology.

Two more rounds of testing and adjustments followed in 1976 and 1977 (the first in South Yucatan, Hecelchacan, and other microregions, and the second in the western and eastern Morelos microregions). These resulted in new recommendations that were applied in early 1978 through actual planning in limited areas.

The difference between simply "testing" and "applying" was that the latter was done as part of the regular annual programming exercise, and its results were incorporated into the investment plan. Not only CIDER/PIDER staff but several line and technical agencies were involved. Thus, the methodology emerging from these repeated rounds was

not just the brainchild of a few imaginative minds in the CIDER capacity-building team, but the result of confronting real-life planning dilemmas.

The social experiments were difficult and at times puzzling. Messages from field tests were often contradictory or so unclear that new tests were needed. Areas of uncertainty had to be gradually narrowed down. Firmness, through normative prescriptions, had to be combined with overall flexibility, so as to allow room for local differences in applying the guidelines. The entire sequence was a long learning process.

During the designing, testing, and refining of these procedures, PIDER and CIDER continuously stressed the linkage between the sociological and the technical sides of the planning process. Without this linkage, participatory planning would mean the mere collecting of a "shopping bag" of community proposals and accepting them without sound review. Understanding the sociology of the given community, its power and economic structures, was important but not enough. The social engineers of the participatory approach soon learned that careful technical/economic scrutiny of each proposal was also required. Social engineering had to go hand in hand with technical engineering and financial soundness analysis.

This awareness caused some research team efforts to be redirected toward the production of analytical instruments for assessing the technical and economic soundness of local investment proposals.<sup>6</sup> These were necessary because the proposals emerging from communities often contained little more than an attractive idea without backup technical information and economic justification. Therefore, PIDER issued instruments and standard forms for gauging the technical and economic justification of grass-roots project proposals, standard checklists for investment analysis, and identification guidelines for assessing projects engineering requirements. The use of these instruments enhanced the quality of the microprojects' economic and technical preparation.

Another midterm correction of PIDER's overall approach followed the belated recognition that people's participation was needed not only in selecting and planning the investments, but also in implementing and monitoring these works. This modification was triggered by the midterm evaluation of the PIDER I Project, which uncovered many cases of resource waste (Cernea 1979). These, it was felt, could have been prevented or mitigated through more involvement of beneficiaries

**Table 12.1 Chronology of the Preparation, Testing, Application, Revision, and Retesting of the Guidelines for Participatory Programming**

<i>Period</i>	<i>Stage of work</i>	<i>Who did the work</i>	<i>Areas of testing or application</i>
1975 August-September	Design (preparation of first methodology)	CIDER/PIDER staff	
1975 October-December	Field testing	CIDER/PIDER staff	Mazahua (Edo. de Mexico)
1976 January-March	Field testing	CIDER staff	Tejupilco (Edo. de Mexico); Ensenada (Baja California Norte) and six other microregions (for annual reprogramming)
1976 April	Revision and training seminars (for PIDER's technicians) on programming	CIDER, PIDER, and state staff	Headquarters; Baja California Sur; Sur de Yucatan; Hecelchacan (Camp); Sur de Nuevo Loan
1976 October-December	Revision and document preparation (PIDER's programming methodology)	CIDER/PIDER	Headquarters
1977 February-June	Application and training seminars (in different regions for PIDER and agency technicians)	CIDER, PIDER, and state staff	Oriente de Morelos Poniente de Morelos
1977 July-October	Revision and document preparation (new document on programming)	CIDER/PIDER	Headquarters
1978 February-April	Application	CIDER/PIDER	Sur de Yucatan
1978 June-October	Partial application (of CIDER's methodology on PRODERITH/SARH regions)	CIDER	Ostuta (Oaxaca) Huixtla (Chiapas) Tixcancal (Yucatan)
1979 February-December	Application (including the entire plan for Zacatecas)	CIDER, PIDER, and state staff	Chatina (Oaxaca): Valparaiso, Norte Sombrerete, Pinos, Fresnillo, Jalpa (Zacatecas)
1980 January-February	Revision and document preparation (new manual; SPP 1980)	CIDER, PIDER, and coordinator	Headquarters
1980 March-April	Application (for full-scale programming)	SPP and agencies staff—federal and state	Full-scale programming in eight microregions as basis for appraisal of PIDER III: Norte and Mocorito (Sinaloa), Atoyac and Costa Chica (Guerrero), Tlaltenango and Valpariso (Zacatecas), Sur and Litoral Norte (Yucatan)
1981	Application (for full-scale programming)	SPP and agencies staff	Additional nine microregions financed under the PIDER III project
1981 April	National seminar on PIDER	SPP federal and state staff	Reviewed national experience with PIDER, including participatory methodology for transfer of certain responsibilities to state level
1982 March	Issuance of guidelines of the Support Program for Rural Community Participation (PAPCO) (focused on information and motivation)	SPP/PIDER	Application in several microregions
1982 May	Issuance of two manuals (on the socioeconomic analysis of rural communities and on the formulation of productive project)	SPP/PIDER	
1982 June	Issuance of manual on PAPCO (revision of March 1982 guidelines)	SPP/PIDER	
1982 July	Issuance of manual (on procedure for programming/budgeting in PIDER)	SPP/PIDER	
1982 August-September	Issuance of two manuals (on project implementation, monitoring, and evaluation)	SPP/PIDER	

Source: Compiled by author.

in the execution of the local projects and in the monitoring of private contractors' work.

### Extension of the New Approach

A further phase in testing the participatory programming methodology was the 1979 decision to extend its application for the first time to an entire state—Zacatecas. This task required the preparation of a state-wide investment plan (see CIDER 1979; Government of Mexico 1979). The challenges involved in this effort and the staff resources required were of a larger magnitude than those of any earlier microregion testing. During this exercise, diagnostic work at the grass-roots level was carried out in more than 1,050 village communities in Zacatecas, and nearly 200 staff of different agencies were involved.

The process of producing and testing the new participatory methodology was occasionally hampered by disruptions. In 1980-81, for example, SPP/PIDER staff was strengthened at the state level and several new support departments were created in SPP headquarters to assist in promoting the participation programs. However, the relationship between PIDER's management and CIDER became somewhat tense because of personality clashes, subordination to different Ministry Departments, and certain political events. In 1981 CIDER ceased to be institutionally involved in the further refinement or application of the participatory methodology. This did hurt both PIDER and CIDER. The subsequent repeated reorganizations of PIDER also had disruptive effects on the implementation of the participatory approach.

### Translation into Formal Organizational Norms

By the early 1980s the process of designing, testing, learning, and revising the methodology was virtually complete. The essential lessons had been accumulated and the methodology for participatory investment programming had become reliable enough for widespread application. The time had come to move from experimenting to institutionalizing the new procedures. Now the several generations of draft guidelines had to be synthesized into a formal final document that would have mandatory application in PIDER.

This happened early in 1980, when the SPP Manual for Programming was issued. It contained the methodology and the detailed procedures that

had emerged from the previous several years of testing (SPP 1980). This manual became the standard for programming PIDER III project areas, and numerous training seminars were organized for staff at various levels and in different regions to familiarize them with it. The four states (Sinaloa, Guerrero, Zacatecas, and Yucatan) included for financing under the World Bank-assisted PIDER III project were required to use the manual's methodology. Investments in the first eight microregions were programmed according to this methodology in 1980 and early 1981. However, the institutionalization of the methodology did not mean it was closed to further improvements, but rather that it was regarded as an instrument refined enough to serve as the norm throughout the entire PIDER.

The path toward this "final" methodology encountered more than a few institutional and political obstacles. At various levels in one or another agency, some bureaucrats opposed the new approach openly; others paid it lip service while they tried to sidestep it. Even within PIDER, acceptance by staff and managers evolved only gradually. In fact, at every stage that a new, revised methodology was readied, it had to clear significant resistance before it could be applied.

While the capacity-building group responsible for testing and refining the methodology acted as a team of applied social researchers, those who had to approve and enforce the plan's implementation were managers, politicians, and administrators. The views of these groups sometimes clashed. Managers, pressed by execution deadlines, often expressed concern that applying the participatory model might lengthen the planning process or entail excessive costs and staff resources.

Various management teams that succeeded each other at the helm of PIDER over the years did not share an equal commitment to participation. Some were not convinced that the resulting improvements justified the greater efforts involved in planning. In turn, some line agencies at the local level recognized rhetorically that a participatory methodology was needed but did not apply the proposed procedures in earnest.

The sociologists and anthropologists involved in refining the new methodology derived strength during this process from their increasing immersion in the technical and social-change practicalities of investment identification and planning, as well as from the ultimate support given by SPP/PIDER's senior management. This support and commitment was instrumental in keeping the so-

cial experiment going and in triggering some re-orientation within the line agencies as well.

### Staff for Implementing the New Methodology

There are significant transaction costs involved in shifting from an old to a new administrative approach. The new approach cannot simply be superimposed over existing bureaucratic structures without some reorganization. This implies reallocating staff resources, redefining responsibilities, hiring and training new staff and retraining old, building in learning-from-doing mechanisms, and rearranging linkages between administrative units to establish improved work patterns. Korten and Uphoff (1982) define such processes as a "bureaucratic reorientation." Without much reorganization, however, a new participatory planning methodology would remain a utopia, and business as usual would continue.

The decentralization process launched in Mexico in 1981 facilitated the mechanisms for participation by transferring increased authority from the federal government to state governments. This decentralization was a necessary premise to expanding participation, because the maintenance of tight central management control over each microregion was no longer consonant with the extension of greater rights to the local communities.

As some responsibilities devolved from the federal government to the states, SPP set up a more elaborate structure to offer states support and assistance. Four support programs were established and staffed in SPP headquarters. These were programs for supporting the participation of rural communities, conducting socioeconomic analyses of the rural community, supporting the formulation of productive projects, and monitoring, controlling, and evaluating project implementation. These four central programs also issued guidelines and manuals for their respective activities for general application in all states.

The institutionalization of these programs in SPP/PIDER headquarters provided additional structure and focus. In a short time, a flurry of methodological guidelines and manuals were prepared and issued, elaborating further on specific "how-to" aspects.<sup>7</sup>

To sum up, the process of capacity building led to the establishment of organizational tools and staffing patterns that supported the participatory

approach to local planning. Prior errors were corrected through built-in learning mechanisms. The institutional memory for PIDER has been solidified in printed guidelines and manuals, even though some of this experience was lost because of the high turnover in staff and managers. New managers often were equally committed to the guidelines that preceded them, and the orientation toward participation was at times weakened.

The economic crisis that hit Mexico in the early 1980s set back many development programs, including poverty alleviation programs with their participatory approaches. Yet Mexico's new Decentralization Project, which started as the economic crisis was ending, restarted the decentralization drive, building directly on some of PIDER's key accomplishments. The continuing orientation toward decentralized decision making is a vindication and continuation of the essence of PIDER's participatory strategy in the new circumstances of the 1990s.

### Decentralization for Promoting Participation: New Trends

The evaluation of PIDER's accomplishments over a period of almost two decades has resulted in an entire library of studies, reports, and articles and is not devoid of controversy. From great praise to severe criticism, from calls for emulation to labeling of the program's results as "unsatisfactory," the spectrum is broad and the judgments are conflicting. Moreover, the economic crisis in Mexico after 1982 reduced PIDER's financial and institutional resources to such an extent that it is no surprise that many of its results were deemed unsatisfactory when assessed against goals and expectations.

One domain in which PIDER achieved a remarkable breakthrough was in the shaking up of Mexico's entrenched bureaucratic planning systems and the promotion of a considerable amount of consultation and participation of local communities in the allocation of resources for local development. Decentralization to the microregional level was an important social innovation that left profound traces.

The austerity measures introduced in the mid-1980s directly reversed some of this progress and undercut the decentralization trends. However—and this is indeed remarkable—these setbacks could not wipe out all of PIDER's progress in providing participation. Nor did these austerity mea-

asures and structural adjustments substitute more effective alternatives for involving people in the public sector programs. Some of the institutional gains achieved in PIDER proved enduring, and the new decentralization project attempts to continue and expand them.

During the preparation of the Decentralization Project, the government of Mexico and the World Bank conducted in-depth reviews of the prior programs' experiences. Mexico's National Institute of Statistics, Geography, and Information (INEGI) surveyed PIDER III subprojects and derived lessons for an overall strategy report. Among the key findings and lessons was that direct participation by beneficiaries contributed significantly to the construction of a large number of local projects. INEGI's survey of PIDER III found a high rate of satisfaction with most of the local projects. About 65 percent of the subprojects were judged successful by the beneficiaries, with the social infrastructure and economic support subprojects rating above 70 percent. The productive subprojects received a lower rating.

The beneficiaries' contribution to the cost of certain types of local projects has been considerable (table 12.2). Beneficiaries provided between

40 percent and 47 percent of land for setting up agroindustry units, small-scale irrigation systems, fruit tree plantations, and livestock units. The contribution to labor costs in the same projects was between 23 percent and 46 percent. Beneficiaries had a strong presence in project identification and also reduced costs and improved the quality of maintenance by helping the employed technicians or the executing agency.

The new Decentralization Project started in 1991 provides World Bank support to the Mexican government's plan to resume country-wide decentralization and foster stronger popular participation, thus directly continuing PIDER's effort. The decentralization project is focusing on four disadvantaged states—Chiapas, Guerrero, Hidalgo, and Oaxaca—and will help channel substantial investment resources for small-scale projects at the community level. The issues faced earlier by PIDER, as well as its approaches and solutions, have now returned to today's agenda for careful reconsideration. Unintentionally, this case illustrates well Hirschman's metaphoric "law of the conservation of social energy" (Hirschman 1987).

The principal objective of the decentralization project is to increase the access of the poor and

**Table 12.2 Contribution of Community Participation by Type of Activity**  
(percentages)

Activity	Small-scale irrigation	Fruit trees	Livestock	Agro-industry	Stores	Ware-houses	Roads	Electricity	Water supply	Sewerage	Educa-tion	Health
<i>Beneficiaries' contributions to costs</i>												
Land	40.9	43.8	41.2	47.1	na	na	42.3	0.0	6.1	6.3	22.2	15.8
Machinery and equipment	4.5	6.3	—	—	na	na	3.8	—	—	—	—	—
Financial	9.1	3.1	17.6	11.8	na	na	11.5	75.0	33.3	43.8	33.3	15.8
Materials	9.1	0.0	14.7	17.6	na	na	11.5	0.0	6.1	6.3	19.4	5.3
Labor	31.8	46.9	26.5	23.5	na	na	30.8	25.0	42.4	37.5	25.0	31.6
Other	4.5	0.0	0.0	0.0	na	na	—	0.0	12.0	6.3	6.0	31.6
All projects	100.0	100.0	100.0	100.0	na	na	100.0	100.0	100.0	100.0	100.0	100.0
<i>Participants' shares in project identification</i>												
Beneficiaries	63.2	68.4	58.8	—	—	—	—	—	—	—	—	—
Community	26.3	21.1	29.4	41.7	54.2	25.0	50.0	54.5	38.5	41.2	40.7	30.0
Ejido	—	—	—	58.3	20.8	12.5	—	36.4	15.4	11.8	11.1	0.0
Municipality	—	—	—	0.0	4.2	25.0	25.0	9.1	26.9	11.8	11.1	30.0
Institution/authority	10.5	5.3	11.8	0.0	20.8	0.0	20.0	—	15.4	23.5	37.0	40.0
Individual	0.0	0.0	—	—	—	—	—	—	—	—	—	—
Other	0.0	5.3	0.0	0.0	0.0	37.5	5.0	0.0	3.8	11.8	0.0	0.0
All projects	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Participants' shares of maintenance</i>												
Beneficiaries	18.8	na	21.4	35.7	na	na	16.7	0.0	35.0	20.0	65.2	25.0
Municipality	—	na	—	—	na	na	16.7	—	—	—	8.7	—
Technicians	56.3	na	78.6	64.3	na	na	44.4	5.9	60.0	70.0	—	56.3
Executing agency	18.8	na	—	—	na	na	—	94.1	—	—	21.7	—
Other	6.3	na	0.0	0.0	na	na	22.2	0.0	5.0	10.0	4.3	18.8
All projects	100.0	na	100.0	100.0	na	na	100.0	100.0	100.0	100.0	100.0	100.0

Note: The percentage represents the breakdown of participation by different groups or institutions for each type of activity.

na Not available.

Source: INEGI surveys.

indigenous populations in the four poorest states of the country to basic infrastructure, social services, agricultural technology, and larger markets. To achieve this broad objective, one of the very specific goals of the project is "to strengthen the decentralized municipal institutions to identify, prepare, build, operate, and maintain the investments in a more participatory manner" (Staff Appraisal Report, p.19).

The process of selecting and prioritizing small-scale local investments under the decentralization project will follow closely and improve upon the participatory planning model previously developed under PIDER. In fact, PIDER's "heritage" is visible at every stage of the current planning process and the new guidelines are seen as the "grandchildren" of PIDER.

Summarizing the main elements that embody both the continuity and the changes in planning methods for local projects, the World Bank's task manager for the Decentralization Project wrote:

1. The regional planning mechanism started under PIDER is being institutionalized and embedded in the federal structure of the Mexican administration. Specifically, the manuals for operational controls used presently are the grandchildren of the manuals developed by PIDER.

2. The planning mechanism has evolved and been further improved, so that nowadays the state COPLADES (state coordinating planning committees) are the primary body responsible for regional planning. In these committees are represented all sectoral federal and state agencies. They elaborate the annual operational plan that is then revised and approved by the federal planning system. The need to extend the planning system to the whole country and establish a regular federal structure required this change.

3. PIDER'S microregion planning concentrated resources on particular microregions. Nowadays planning is conducted at several levels: municipal and state so it can become comprehensive and integrate all the microregions in a state.

4. The present challenge in Mexico is to extend the public administration structures down to municipalities. A large number of them exist only on paper, so special emphasis is given to creating local structures that

are participatory. In this process, institutionalized throughout the Municipal Solidarity Fund, we have certainly used a lot of the ideas of the PIDER experiences. (Mateus 1992)

### **New Investments for Channeling Resources to Deprived Communities**

The decentralization project also contains two special institutional arrangements for channeling resources to the most deprived local communities: the Municipal Solidarity Funds and the Development Funds for Indigenous Populations. These funds are accounts created at the municipal and community levels to provide budget financing for small community projects. They are intended to stimulate and strengthen communities' social demands; emphasize beneficiary consultation, participation, and direct contribution; and introduce competition among agents that provide services to those communities. Thus, the contradiction that weakened PIDER—keeping project financing overly centralized while democratizing project planning—was overcome under the new decentralized Mexican program, which gives municipalities control over funding many local projects.

Early reports from the field about the first year of project implementation confirm that activities under these two funds have indeed attracted substantial participation of local groups from the outset. Another field report states that "the pace and manner in which the municipal funds have been taking off is exceeding any expectations we could have had during the design and the preparation of the decentralization project." The same report indicates that in all the local projects visited the communities provide local materials and contribute the unskilled labor, leading to beneficiary shares in capital cost of from 10 to 70 percent, depending on the labor intensity of projects. About 14,000 microprojects have been completed in the first year of the project. Local microprojects include schools or schoolrooms, road segments, additions to water supply and electrification, health posts, and drainage works. The unit costs of projects are similar to those of line agencies, or cheaper. Community input further lowers the cost, while the ceiling on project size and cost prevents the concentration of projects in municipal headquarters and favors projects in smaller settlements.

Perhaps the best summation of the developmental value of building a participatory method-

ology, as described in this chapter, is contained in a field supervision report written by Hafts Binswanger, an experienced World Bank project officer about the mechanisms and impact of the project's approach. This summation is written in the rapid and sparse style of a routine back-to-office report, yet it eloquently captures the essential strategic lessons:

The theory underlying the decentralization project seems to have worked well so far in this component of the project: change the destination of the resources from the line agencies to the municipalities; give them control over the resources within a transparent and internally consistent project appraisal and selection system; put the burden of subproject coordination on them and give them the money to do so; involve all elected officials in the municipality and the settlements jointly with the beneficiaries in the project selection; clearly spell out the conditions under which a project can receive financing; require community labor input and thereby eliminate all projects for which no one is willing to volunteer labor. Then rely on the executive capacity dormant in the thousands of villages and slum areas.... This program appears to be a victory of municipalities over the line agencies in the competition for government resources....

### Lessons on Generating a Social Methodology

In summary, this paper describes why and how the capacity-building path followed by CIDER/PIDER has resulted in a usable model for identifying, selecting, and executing local investments in a participatory manner and in a "tool kit" for involving the local social actors more effectively. These lessons are instructive for social researchers and development practitioners interested in replicating similar efforts in other countries.

The core component of this capacity-building process was a sustained action research effort. The researchers were concerned with modeling the social process of local investment planning and execution to derive prescriptions for an improved, bottom-up manner of planning. From this experience, several conclusions about the innovative social engineering needed for creating a framework conducive to participation can be derived.

- The elaboration of a social methodology for bottom-up planning requires the joint effort and integrated skills of professional researchers and development practitioners; they must design the "software" together.

- Enlightenment and education alone are not sufficient for organizing participation: sound and innovative social engineering is necessary for a gradual build-up of new institutionalized arrangements. These are best created through real-life experiments rather than desk-concocted edicts. The proposed model for participation of project beneficiaries should be, in essence, an adequate pattern of social organization for joint action. Developing such a pattern requires patient field experimentation, observation, social action, a willingness to learn from mistakes, and repeated returns to the drawing board.

- Training is critical for good social engineering because even partial, mid-term results must be communicated to and learned by the client audience; ongoing training builds up receptivity for innovative planning procedures and participatory approaches.

- Sustained political commitment to the innovative social engineering approach must be maintained, renewed, and reinforced continuously for fighting off opposition by entrenched bureaucracies and vested interests.

- Normative institutionalization of participation, including legislation when appropriate, must follow once experimentation is complete.

- Organizational and staffing adjustments are integral to the capacity-building process. No new methodology can be effective, viable, and sustainable without a reallocation of organizational and administrative resources.

The process described above, impressive as it is in terms of continuity and the quality of its outcomes, nevertheless should not be seen as the only way of producing a methodology for a certain type of social action. Furthermore, this process should not be idealized either because it has had its own weaknesses, some of which were pointed out here. Yet this is one of the relatively few cases in which a team of applied social researchers worked continuously over a period of several years to produce a methodology for community participation in bottom-up planning; the methodology is professionally designed on the basis of social analysis and field trials rather than improvised hastily with more enthusiasm than meticulousness.

The action-research experience described here is one that needs to be replicated by other applied researchers, with adjustment to their contexts, if we are to develop adequate theories and methods for development activities. These and other comparable approaches are essential if organized people's participation in publicly financed programs is to become a reality.

## Notes

1. Methodologies for social action are specific products of applied social science (Cernea 1991b). These methodologies codify existing social experiences, sociological theoretical knowledge, and empirical findings into sets of procedures for organizing human activities in order to achieve defined goals. These methodologies may be regarded as social technologies and are part and parcel of what is often called "human engineering," "sociotechniques," or "social engineering" (Barnes 1980; Firth 1981; Rossi and Whyte 1983). They represent codified know-how suitable for guiding the actions of human groups and institutions. It is essential to recognize that professionally crafted social methodologies—and not haphazard and casual procedures—are an indispensable software of development programs.

2. The actual "product" of this experimentation process, namely the set of principles, approaches, and procedures that together represent a methodology for community participation in local investments in Mexico is available in a very detailed description in a number of manuals and guidelines (see bibliography). See also Cernea (1983 and 1992).

3. The core members of this central team were Jorge Echenique, Marcos Arellanos, Victor Chagoya, Antonio Monzon, and Alfonso Cano.

4. One of the local investment projects examined by the CIDER/PIDER team vividly illustrates how farmers' self-definition of needs may include aspects that the experts may not perceive. During a conventional investment-planning exercise, the planning staff of a line agency rejected as "crazy" a written request from a village for the construction of a dance hall. The CIDER team then decided to visit the ejido that had proposed the unsuitable expenditure and explore why it was proposed. It found that many of the farmers in the village were musicians, and that their reputation was so good that, on Sundays and holidays, the inhabitants of surrounding areas came there to dance on improvised, open-air grounds. Most of the ejido members felt that a dance hall would be the best means of attracting more visitors, to sell more local products, earn added revenues, and generate employment. In terms of real development, the CIDER group commented afterward, "we wondered whether the request for a dance hall was not more justifiable than many of the 'white elephants' included by the experts in PIDER programming."

5. Programa de Apoyo a la Participacion de la Comunal Rural (PAPCO).

6. The simultaneous preparation of two kinds of testing "instruments"—social and technico-economic—prevented the project's falling prey to either of two fallacies often present in the arguments in favor of or against participation: the "populist" fallacy and the "paternalistic" fallacy. The populist fallacy holds that the rural majority always knows better than the technical personnel and has sufficient skills to bring about development by itself. The paternalistic fallacy holds that the bureaucracy knows best and by itself can do all that is needed for development (Uphoff and Esmán 1974).

7. Of particular interest is the "Manual for the Support Program for Rural Community Participation" (abbreviated as PAPCO; SPP 1982c). This manual sets forth the strategy for information and motivation—in other words, the approach for explaining to communities and agency staff the objectives and investment means of PIDER. Two other manuals were prepared and published on the socioeconomic analysis of communities and on the formulation of productive projects for local communities (SPP 1982a; 1982b). Also a revised manual on procedures for programming and budgeting in PIDER was issued in July 1982, summarizing both the justification of the participatory approach and the procedures for carrying it out. Before 1982 was over, two other manuals on project monitoring and on execution control were published (SPP 1982d; SPP 1982e; SPP 1982f). Each specified ways in which communities should be involved not just in initiating and selecting investments, but also in implementing and monitoring projects.

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# 13

## *Capacity Building for Participatory Organizations*

*Thomas F. Carroll*

A number of the questions formulated by the Bank's learning group deal with institutional mechanisms and alternative organizational forms for promoting participation.<sup>1</sup> I have chosen a modest slice of this subject by focusing on one participatory aspect I shall call group capacity building and on one species of organization: nongovernmental organizations (NGOs). Within the latter, I wish to stress the relationships between local development groups (grass-roots organizations) and national intermediary support organizations. As we shall see, even this apparently limited scope turns out to be quite complex.

This contribution is based mostly on my own work and observations and on the experience of the Inter-American Foundation (IAF).<sup>2</sup> While the IAF is a small grant-making organization, its work with participatory institutions in Latin America has some relevance to the Bank's current learning exercise.

The main message of the chapter is the following: grass-roots groups, which are the main instruments through which disadvantaged people can participate in development, suffer from weaknesses, some internal and some external. The money and services usually provided by donors and some governments do not, by themselves, strengthen the capacity of such groups. However, a special type of intermediary NGO has perfected processes that are capable of building and reinforcing local participatory organizations. This relationship between base and intermediary is not

without tension, but when properly supported by donors it can activate collective energies to manage scarce resources and deal more effectively with the state and the market.

### **Why Organizations?**

While the materials produced for the Bank's learning exercise talk about individual participation and even include market mechanisms, most of the concept papers and reports on Bank experiences refer to community participation, which occurs through organized entities. Samuel Paul (1987) says that joint or collaborative involvement of beneficiaries in groups is a hallmark of popular participation. Cornell scholars Esman and Uphoff (1984) conclude that "participation tends to be ineffective outside of an organizational context and that local organizations are a crucial factor in development efforts." Michael Cernea (1987) identifies grass-roots membership organizations as a strategic resource and a sort of capital accumulation. He strongly urges investing in grass-roots organization building. Howard White (1989), after reviewing participation in various sectors and regimes, concludes: "Participation needs group structures."<sup>3</sup>

It is useful to recall here the conceptual debate about the role of local popular organizations in development. It is generally accepted that voluntary associations are part of a "third sector," after government and market institutions. There is,

however, much disagreement on how the voluntary sector relates to the other two. A strong ideological current holds that voluntary institutions should be seen as "alternatives" to both bureaucracy and capitalism, that people's organizations must be autonomous and self-reliant, even self-sufficient. This theory sees close relationships to the state and to the market as leading to domination, elite co-optation, and destabilization and hence argues for delinking, independence, and even confrontation with the other sectors. Outside activism on behalf of popular groups is generally viewed as inherently harmful to genuinely self-directed institutions. Proponents of these views doubt that the Bank, as an institution both controlled by and serving governments and also strongly committed to market economies, can play a meaningful role in participation.

But others, with varying degrees of commitment to equity and poverty alleviation, see the role of grass-roots movements in less idealized and antagonistic ways. They visualize the voluntary sector, once it has gained both internal strength and external legitimacy, as capable of modifying and transforming both the state and the market to better serve their constituents and are therefore in favor of promoting support linkages and even collaborative or joint arrangements. These liberal pragmatists worry less about harming the purity of self-direction and not only advocate but practice vigorous promotion and institution building. Esman and Uphoff (1984, p. 22) express the latter view quite succinctly:

Local organizations as a third sector can serve to make the other two more effective. The development of vigorous local organizations has important implications for extending the outreach of public administration and for improving the performance of government agencies and personnel. Local organizations, by aggregating the demands and resources of private citizens, can also supplement and make more effective the efforts of individuals in the private sector.

Having placed local organizations in the center of participatory attention, we must face the fact that what is supposed to be a solid base structure in which agencies such as the Bank can invest and on which development activities can be built, turns out to be, on close inspection, of mixed strength in terms of both development effectiveness and ben-

efit distribution. There is now a large body of literature and solid field experience in which the performance of disaggregated segments of this universe is examined. This is not the place to review this literature, but two general conclusions are relevant to my purposes here:

- The performance of local membership organizations is related not only to their organizational forms and purposes but in all cases is very strongly influenced by the socioeconomic environment in which these organizations operate. While it is true that in some situations the necessity of struggling with opposing or repressive forces can become a powerful motivation for solidarity, the more universal picture is that there has to be an enabling environment (which includes the legal and political framework that is part of the concept of governance) and what some analysts have called "free space."

- Sympathetic outside support is needed for local representative institutions to come into existence and flower. "Support" in this sense is not only, or even primarily, a question of resource contributions. This finding represents a paradox highlighted by a number of careful observers: the achievement of greater solidarity, autonomy, and internal democracy depends, to a great extent, on supralocal institutions, external to the grass-roots. I shall return to this later.

Who is to provide this sympathetic support to turn the great development potential of local groups into reality? Business is clearly not the right instrument, although it has a role to play through philanthropy, banking, and linkages to certain cooperative forms of grass-roots undertakings. Political parties are out because they have a notoriously clientelistic corrupting influence, although, in practice, some parties lend themselves to useful linkages. This leaves the various components of the state and the nonlocal elements of civil society. Some writers, such as James Midgley, paint themselves into a box by rejecting the possibility of both governments and NGOs as supporters of participatory community groups. He further argues that even "spontaneous" cooperation, such as exists in traditional communities or in the emergence of self-propelled rural and urban popular movements, is not the answer. (They too, he finds, are frequently not democratic, respond to outside promoters with differing agendas, and need outside resources.)

Fortunately, not all experts are so pessimistic. There are a growing number of cautious optimists or pragmatic positivists who are perhaps less demanding and more realistic about the achievable level of participation and equity through local institutions, and who see the macro establishment as less monolithic and more permeable, partly out of self-interest and partly because of the pressure generated by some of the more successful grass-roots groups and their allies. Two prominent members of the more optimistic category, Michael Cernea and Norman Uphoff, are fellow contributors to this workshop (see chapters 12 and 15). They both draw their cases from public sector examples. In Cernea's chapter, participatory support is generated by a planning agency in Mexico, while Uphoff's chapter features the reorientation of a line agency in Sri Lanka. Significantly, both cases point to an important role played in the evolution of participatory systems by national and international social scientists—in the Sri Lanka case, by a consortium of a local research/training institution and a U.S. university.

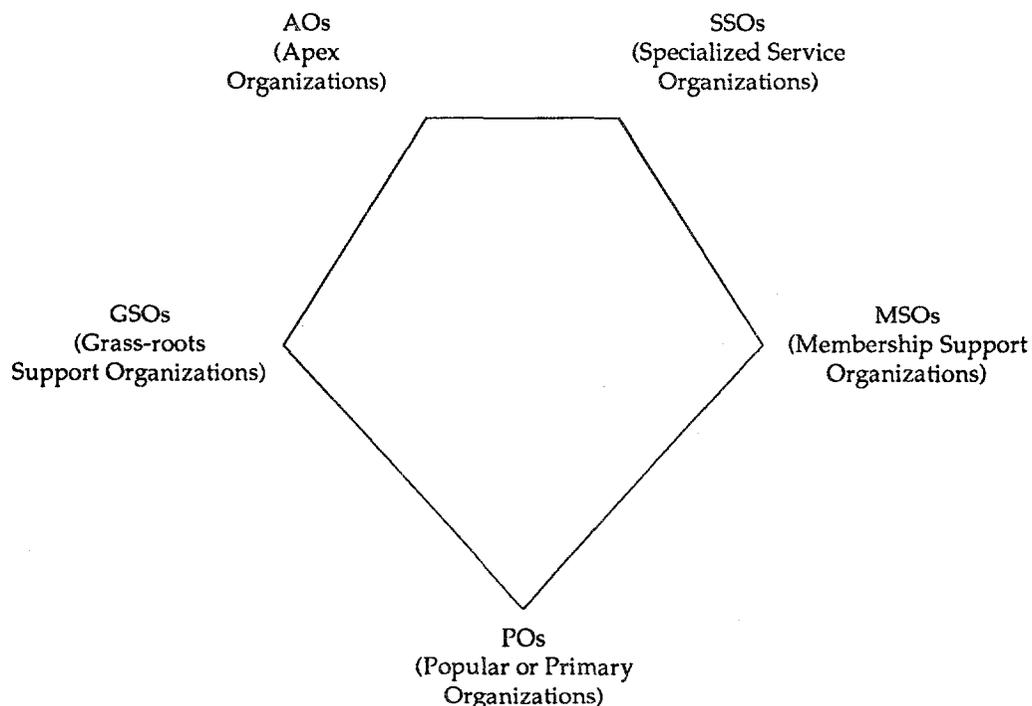
My illustrations of support institutions come from intermediary NGOs, as explained in the next sections of this chapter. It is notable that four of the contributors to the workshop use the terminology of capacity building. Cernea uses the term to refer to the capacity of the government hierar-

chy for participatory planning, while Uphoff uses it as I do to denote the creation and strengthening of collective organizational capacity at the grass-roots level. Alexandre Marc (chapter 14), dealing with finance, is most concerned with capacity in basic management skills, such as accounting.

## Typologies

Before one can deal intelligently with grass-roots groups, support groups, and organizational capacity building, it is necessary to have a clear understanding of the typology of NGOs. None of the existing classifications is fully satisfactory, although their utility depends on the classifier's purposes. My purpose here is simply to clarify four distinctions: (1) local or primary organizations versus supralocal ones; (2) higher-level organizations that work directly with the primary level; (3) within the latter, those that are formally accountable to their membership and those that are not; and (4) higher-level grass-roots support organizations and service or apex institutions that do not work directly with the base but support or aggregate other higher-level organizations. These relationships can be diagrammed by a simple diamond (shown below).

Primary groups, or POs, are the smallest aggregation of individuals or households that regu-



larly engage in some joint development activity as an expression of collective interest. They are also often referred to as local grass-roots organizations, but it is not always acknowledged that they are also NGOs.

A grass-roots support organization, or GSO, is a developmental civic entity that provides services and support to local groups of disadvantaged rural or urban households and individuals. In its capacity as an intermediary institution, a GSO forges links between the beneficiaries and the often remote levels of government, donor, and financial institutions.

A membership support organization, or MSO, has similar attributes. It also provides service and linkages to local groups. However, an MSO represents and is accountable to its base membership, at least in principle. For example, a primary or base-level organization is a local cooperative or labor union. A regional association of such base groups is a secondary, or second-level, group. This is sometimes capped by a third-level national federation. These second- and third-level membership organizations are here called MSOs.

An apex organization is most frequently an NGO coordinating body or consortium. Its membership may be sector-specific or mixed. A specialized service organization is just what the name implies: it furnishes other NGOs with specific services. It may also be a quasi-governmental entity.

Another distinction is important: I use the term GSO to identify intermediate-level NGOs that work directly or face-to-face with POs and operate field development programs. I find it useful to separate them from research, educational, and advocacy NGOs that do not have direct field involvement with beneficiary groups. Note that the specific acronyms I use are less important than the meaning of and relation between the NGO sub-groups.

There is, of course, a very large variety within all these categories; grey areas and overlaps also exist. The local or primary groups are especially varied. Esman and Uphoff (1984) classify local membership groups into three categories, as follows:

- Local development associations, which are based on the extension of the community and contribute generally to public goods accessible to all

- Cooperatives, which are based on pooled resources and contribute mostly to private goods accessible only to members

- Interest associations, based on a particular functional interest of members; their membership is narrower than that of local development associations but more encompassing than cooperatives, and they deal with both public and private goods.

### Capacity-building Elements

It is also proper to identify what I mean by "group capacity." I distinguish conceptually two dimensions of group capacity: the first—the internal dimension—is learning how to manage resources collectively. The second—the external dimension—is learning how to negotiate with and make claims on the government, banks, and other power holders. Examples of the former are group management of tree nurseries, irrigation water, marketing, agroprocessing, nonfarm community enterprises, and group credit. Examples of the latter are legal petitions, ability to access technical and financial resources, and negotiations in defense of smallholder interests. Common to both dimensions is the capacity to work effectively as a group, interact democratically, reach a consensus, manage conflict, limit corruption and free-ridership, and forge networks.

Perhaps the following disaggregation of the two dimensions is helpful:

#### Internal capacity

- Planning and goal setting
- Resource mobilization
- Resource management
- Conflict management
- Information and data management
- Dealing with external stress.

#### External capacity

- Understanding the external environment
- Making external linkages and alliances
- Mobilizing for claim making
- Negotiating with government.

It seems less difficult to mobilize for claim making than for group management, which requires a more sustained activity, many costly member contributions, and complex trade-offs between selfish behavior and group-centered behavior. Also, group management efforts can be jeopardized if internal divisions exist or if collective endeavors do not yield expected benefits. However, even limited successes often generate a surprising amount of "social energy."

### Three Case Studies

I have selected three specific cases from my own fieldwork to illustrate my argument. (For further detail, see Carroll 1992.) I will use these as take-off points to draw more general lessons. The first case is one in which service delivery and participatory organizational strengthening diverged.

#### *The Case of the FDN*

Typically, business-inspired intermediaries and those that focus on service provision are not preoccupied with questions of organization and group capacity building. They favor working with individual entrepreneurs. Even when pressed by donors, they often fail to deal with organized beneficiaries and consider sustainability a function of the economic viability of their individual clients.

The *Fundacion de Desarrollo Nacional (FDN)* has undertaken a beekeeping program in Chiclayo, in the northern coastal region of Peru. The FDN, a competent university-related grass-roots support organization, agreed, as a condition for receiving external funding, to promote a beekeepers' association that would gradually take over the management of the program, especially in marketing, which was the aim of a follow-up grant to a credit project. The FDN displayed extraordinary capacity in implementing the credit component, which was financed by the small-projects fund of the Inter-American Development Bank (IDB). Serious obstacles to rapid implementation included a widely dispersed and heterogeneous farming population, no previous FDN involvement in the region, severe drought, and unrealistic disbursement rules set by the IDB. Yet the FDN quickly organized a field team and within two years came respectably close to reaching the original beneficiary and production targets. Remarkably, about one-third of the beekeepers were landless workers residing on landlord properties, a common feature of the labor-tenant arrangements in Latin America.

By the end of the third year, there were more than 400 credit recipients producing over 100,000 kilograms of honey from 5,500 newly established beehives. With byproducts, this volume of production from beekeeping represented a wholesale value of about \$275,000 and added an average \$400 net income to each beneficiary family. According to a baseline study, the average family income of the beneficiaries was \$1,060. This represented a low relative poverty level, somewhat

higher than the very poorest campesinos, but still within the fourth quintile of the income distribution scale.

At current levels of technology, the beekeeping activity adds 38 percent to net family income or almost 50 percent if the opportunity cost of family labor is included. Thus, the project was highly successful in terms of generating supplementary income and employment, especially considering the indirect benefits from local artisanal production of beekeeping equipment. It is doubtful that any government agency in Peru could have done nearly so well.

The record of the marketing component, which was financed by the Inter-American Foundation (IAF), has been more mixed. The FDN has excelled in exploring potential demand and in establishing quality control. Because most honey in Peru is adulterated, the project laboratory's certification enabled the FDN to get premium prices. Thus, the FDN was able to successfully negotiate sales contracts with such large buyers as supermarket chains and the local branch factory of a multinational food-processing company. But the FDN has run into serious difficulties with the newly established Beekeepers Association of the Province of Lambayeque (ADAL).

ADAL, dutifully created by the FDN as part of its contractual obligation with the IAF, was supposed gradually to take over and manage the project. However, the FDN was totally unprepared for the militancy and confrontational style displayed by the new ADAL leadership. The FDN had little experience in cooperative development. In fact, it had deliberately stayed clear of the collective land-reform enterprises that dominated the Peruvian rural scene. Moreover, the organization was handicapped in two ways. First, the FDN's contracts with its donors did not include any resources for cooperative promotion. Second, private traders (one of whom had previously worked with the FDN and had close relations with some members of the ADAL board) were causing trouble because they saw the FDN's active role in marketing as a threat to their own commercial interests. The ensuing struggle, with which the FDN's project coordinator in Chiclayo was unable to cope, revealed the FDN's weakness in the social and organizational aspects of development and, indeed, its basic lack of interest in group promotion and local empowerment.

It is interesting to note that the support of the local elite, deemed essential for the success of such

projects, has been forthcoming for honey production, which benefited the owners of nearby fruit plantations through increased pollination. But there has been no support by the elite for the marketing component. There, the interests of small beekeepers and local merchants diverged.

Donors and the FDN alike have displayed—not atypically—a short-term project-bound mentality, which assumes that in a fixed period of time the new technological package will be absorbed and further progress will become self-sustaining. These assumptions were clearly wrong for both the production and marketing aspects of the beekeeping project. At the present levels of production, output remains far below what is technically and economically obtainable. (Honey yields are only one-third of the potential, and the income from pollen, wax, or royal jelly is negligible; the income from pollen, for example, is only 10 percent of potential.) To close the gap, further research and development are needed, for which no funds or institutional mechanisms are available.

The beekeeping project required the establishment of a local project unit and management office in Chiclayo. The FDN had difficulty coping with a decentralized regional office. Lima wanted to maintain tight control, but the dynamics of the program called for greater local flexibility and decision making. Also, once the program was well established (and supplemented by other small farm-oriented development projects in the same area), more regional linkages and local interest groups began to develop around the Chiclayo FDN office, which could have given the project much greater scope, replicability, and provincial alliances. However, these local probings were not congruent with the Lima head office and its links to the national-level administrative structure. (I shall return to this regional theme later.)

The FDN never seriously addressed the issue of self-marketing by the group or the search for local funding. After the grant period, when the individual loans were all repaid, the FDN ceased to market honey, and the surpluses henceforth accrued to individual traders. The result was that technical assistance, including the laboratory, which was to have been paid for out of profits in marketing honey, had to be discontinued. The sustainability of the program was undermined because ADAL, the beneficiary organization, was unable to further develop beekeeping technology and find uses for valuable byproducts without outside technical help.

What are the lessons of the FDN case? The FDN is clearly an excellent GSO, performing the role of financial intermediary, to the delight of the donors. The FDN achieved not only rapid disbursement but also an enviable benefit distribution, having reached a generally poor segment of the rural population as well as a good proportion of the landless, women, and youths in the area. The FDN even gets high marks for having produced a “good fit” with its strategies. In other words, it introduced technology systems that did not interfere with the cultural or productive practices of the recipients, such as labor demand. The performance of the credit component was good: repayment was in kind, and therefore the indexed recovery rate was nearly 100 percent. Transaction costs, however, were relatively high. It is likely that many recipients could build up enough experience and capital to make them eligible for future institutional credit. Product differentiation in marketing was achieved (a market niche was created) and effective demand was tapped.

However, as we have seen, little group capacity was created, which has reduced the project’s sustainability and undermined its outreach and potential catalytic effect in the region. The technical assistance component was well conceived: the laboratory, staffed with native technicians, was the centerpiece of quality control and the basis of expansion possibilities. But its self-financing postproject life was undercut. One could speculate that the new beekeepers association, if it survives without reliance on the marketing revenues, could yet produce some indirect benefits or spillovers in other respects. For example, an unusually high proportion of farm women attend meetings. They may use their new organization in ways not originally foreseen. It is also possible that the laboratory might find other sponsors, since it benefits not only the original credit clients but a wider circle of beekeepers. Such a project also gets the attention of regional or municipal authorities and opens avenues for public sector linkages, although none of these avenues were actively pursued, since the FDN operated in a centralized fashion out of the capital. But the fact remains that this GSO, typical of a good number of highly regarded NGOs, did not have the interest or qualifications to create any organizational capacity or engage in institutional innovations. (They did find some technical innovations, such as rotating hives around the territory to correspond to the flowering of plant species.)

One important organizational innovation that could have been introduced without the risks and complications of a marketing cooperative is the solidarity credit group. There is overwhelming evidence (for example, from the Grameen Bank) that joint liability, a sense of common purpose, peer pressure, and access to personal information about potential borrowers reduce risk to the lender and can hold down transaction costs.

One of the most important points here is that the donors did not provide the FDN with enough resources for the start-up costs of group formation. The Bank's own review of group lending has shown that the extra initial expenses for group formation can be easily recouped over time in lowered transaction costs.

More generally, the lesson is that service effectiveness and even a good benefit distribution does not necessarily lead to active popular participation, without which sustainability, expansion, and institutional development are constrained.

I now turn to the second case, in which service, technology, and capacity building converged.

### *The Case of ANAI*

The Association of New Alchemists (ANAI) is an environmental action organization operating in Costa Rica with a strong commitment to agroforestry. Its flagship program is a small farmer diversification scheme for the Atlantic coastal area, one of the poorest and most isolated parts of the country. At the heart of the program are commercial tree nurseries meant to produce enough seedlings to plant one hectare of fruit-bearing trees and spices and one hectare of lumber trees for each participant farmer, along with disease-resistant cacao, the region's main cash crop. ANAI also runs an experimental farm to introduce and later test the viability of superior genetic material.

The nurseries are run by a self-selected group of local farmers. ANAI provides initial planting material, basic equipment, and technical guidance; the communities provide land, labor, and management. Each of the nurseries has been designed to become both technically and financially self-sufficient. In order to make its technical-assistance component sustainable, ANAI trains one member of each nursery for an entire year. The trainees are supported by their communities during training, after which they are responsible for providing free technical assistance to fellow farmers.

ANAI's methodology is to design projects in which improved farming techniques and skills can be learned through direct participation in all aspects of the construction, management, and maintenance of the nurseries. Material generated by the project is disseminated through monthly bulletins, technical publications, and radio broadcasts.

Once the nursery groups are in place, a number of devices are used to develop organizational capacity. Within each nursery, a coordinating committee has been set up to facilitate the decision-making process. At the same time, members of each nursery group elect representatives for the monthly meetings with ANAI. These meetings serve as a forum for making marketing decisions and for exchanging views and problems concerning the nurseries. In addition, the meetings help the different leaders get to know each other and foster understanding and interaction among the region's three ethnic groups (black, Indian, and mestizo), which have never before cooperated. The nursery groups have already formed a higher-level organization, the Association of Small Reforesters, in order to obtain the legal status needed to become the beneficiaries of government funds earmarked for those engaged in reforestation.

By the end of the first year of the project, 15 community nurseries were operating with 330 participants. Eighteen months after the project began, there were 24 nurseries with 670 participants. Membership in the groups ranges from six to 44. Groups vary in motivation, cohesiveness, and organization. Fifteen percent of the participating small-scale farmers are women, and another 15 percent are teenagers.

The key to managing the participatory system is in the finely crafted sequencing or staging evident in ANAI's work. The progression of tasks and activities not only follows a sound management path in which each step is a prerequisite for the next, but it also is flexible enough to incorporate participatory decisions and feedback loops. For example, ANAI decided to begin the project with only three nurseries, while at the same time upgrading staff skills through training at CATIE (a Central American tropical agricultural research center located in Costa Rica). By concentrating their efforts on organizing the first few nurseries and making them work, they boosted regional interest, and ANAI staff then felt better prepared to take on larger numbers of groups. This first phase also showed that those nurseries with larger memberships performed jobs more quickly and had

higher morale. As a result, new nurseries aimed at having at least 15 volunteers.

The strength of the initial infrastructure allowed ANAI to expand very rapidly, after which the organization took time to consolidate the entire project. ANAI managed to speed up or slow down the diffusion of technology whenever necessary by carefully monitoring feedback from the nurseries. The number of cacao plants, for instance, was reduced whenever a nursery group could not care for all its seedlings with each volunteer providing one day of work per week. And while ANAI originally planned to distribute more than 70 varieties, it now concentrates on the half dozen or so crops with the greatest commercial potential. This was the result of feedback from the new groups.

Once the nursery groups reach a certain level, ANAI helps them move on to the next stage by providing additional services. It is important to note that the forest-nursery groups, while providing a participatory underpinning for the project, must also be seen as an initial organizational experience that is likely to lead to further, different, and perhaps more permanent forms of beneficiary organization. The formation of a regional agroforestry association, which, in contrast to the selective nursery groups, includes all farmers of the region, has already been mentioned. Efforts are also underway to explore joint marketing options.

One of the main lessons of ANAI is that service delivery and capacity building can go together. Participatory group formation is a carrier of the technology, and the technology, in turn, induces and reinforces the group effort. This synergy is a potential in many projects dealing with natural resource management. It is also notable that the initial collective experience was introduced at a strategic point in the technology generation/diffusion process. The group enters in the interface at the validation, testing, distribution, and replication stages, which are the most labor-intensive and where learning is the most cost-effective.

Another important lesson is in the extraordinarily effective intervention strategy that I call "sensitive guidance" and that Uphoff terms "assisted self-reliance," describing it in great detail in his forthcoming book on Gal Oya in Sri Lanka. These terms embody an apparent paradox: how can the desired self-engendered and self-directed process flower when there is constant intervention? But that is just the point: it is the quality and give-and-take of the interaction that counts. Outside support, far from being harmful, can be beneficial and even essential

to genuinely bottom-up processes. Such social engineering (a really misleading term, but do we have any other?) is disdained by participation purists and viewed skeptically by hard-nosed advocates of cost-effectiveness. But it works and, as the ANAI case demonstrates, it is especially useful in the early phases of project design and in dealing with initially unorganized participants.

Please note also the principle of self-selection and demand generation. The nurseries work only with self-constituted groups in which all members have agreed to follow the simple rules embodied in the *quid pro quo*. Local groups provide labor and other material inputs while ANAI provides seedlings, technological advice, and nonlocal inputs. This is a kind of social contract between participant small farmers and the NGO, without which there is no project.

This leads to a further lesson: experience has demonstrated the soundness of multitiered membership organizations (including relatively homogeneous small groups of common background and interest) and larger, more diverse groups, which fulfill complementary functions that are less demanding of interpersonal social relations but able to achieve broader representation and various economies of scale. Nursery management was best performed by small groups; for lobbying to obtain legal and financial resources from the government, a higher-level, more inclusive organizational form was needed. It is likely that for marketing, yet another type of organization with somewhat different membership will be required.

Such an arrangement permits the base groups to remain informal and flexible, while the upper tiers can become more formalized to take on legal, financial, and technical tasks of greater complexity. The participatory operation of a multitiered system is based on group representation and accountability. Eventually, such multilevel membership organizations can lead to decentralized organizations with a mixed public-private character or even to more representative local government, many examples of which exist in Costa Rica under an open, decentralized political system.

Another point of interest is that the ANAI staff invented and practiced their strategy without visible social science inputs or expertise. ANAI's staff members are all foresters, agronomists, and horticulturists. Their field extensionists probably have had some courses involving group dynamics, and some of them have worked previously for community development or cooperative promotion

programs in various state agencies. But neither they nor the senior professionals have the background and experience one normally associates with the kind of institution building and careful participatory methodology that this NGO has developed. The disciplines may certainly be needed later, but, in the meantime, we have an important lesson here. It suggests that participatory methodologies are not something apart from and parallel to the technical side of an organization; they have to be built in.

In the previous case, which rated low on participation, I suggested that the FDN contract a rural sociologist. This addition probably would have helped the FDN to deal more intelligently with the nascent beekeepers' association but would have been unlikely, without internalization, to have transformed the FDN itself.

### *The Case of CIDE*

The third case involves the Center for Research and Educational Development (CIDE), a prestigious Chilean NGO specializing in popular, non-formal education, and serves as an example of capacity building without service delivery.

CIDE is a Jesuit-led organization whose origins are in the Latin American liberationist tradition of the Catholic Church. CIDE produces educational materials, some of which are used in training community promoters. It has pioneered in adult education. In many ways, CIDE resembles other church-inspired NGOs, except that it does not have much of a direct-action program.

In one of CIDE's rural development projects in southern Chile, I saw little activity, energy, and direction. At one site, groups of peasants milled around the skeleton of a meeting hall they were supposed to build until the facilitator arrived with a truck of supplies; at another, a group of women were instructed in what appeared to be traditional home economics. What I saw was strongly reminiscent of what I remembered from dozens of similar visits to sites during the heyday of community development in the late 1950s and early 1960s, now almost 40 years ago. It seems that the lessons pointed out by many critics were not learned. The projects had little tangible and much less economic focus, were dependent on the promoters, and had no linkages outside the community. It may be that the repressive environment that still prevailed in Chile through most of the 1980s was partly responsible.

I found CIDE to be an intellectually sound and exceptionally committed organization but one that suffered from remoteness from field practice (even in field testing the application of educational material). Other evaluators also noticed this duality: an impressive urban center, but poor outreach.

### *The Importance of Field Experience*

Similar observations elsewhere of research, advocacy, and educational NGOs without substantive face-to-face practice with the rural and urban poor suggest their lack of development effectiveness. Even in the policy realm, the proposals of intellectual and lobbying groups tend to be less sound than those emerging from concrete field experience.

The experience of an NGO in Peru called the Agrarian Technology Institute Proterra (PROTERRA) is instructive. PROTERRA specializes in legal assistance. It was only after its staff's direct involvement with *campesino* groups that had serious land rights problems (and only on the basis of a detailed study of the legal and administrative obstacles as they were manifest in everyday practice) that PROTERRA was able to propose and successfully lobby for legislative and procedural changes at the central government level. It was micro-practice that made macro-policy reform possible.

Robert Chambers (1983), who wants all of us desk-bound intellectuals and bureaucrats to do compulsory village duty, would surely applaud my insistence that field practice for NGOs is a key to their effectiveness. But I wish to report a somewhat more speculative benefit from the emergence of hands-on NGOs—the type I have called GSOs—at least in Latin America.

GSOs are yielding an important but largely unrecognized benefit: increasing the number and involvement of socially committed and skilled Latin American intellectuals and professionals. Leading staff members of GSOs are becoming influential beyond their own organizations as they move back and forth in the realms of government, politics, business, and universities. Their hands-on experience, acquired while working directly with poor groups and micro-projects, is salutary to both the academically inclined, who are likely to have radical or theoretical backgrounds, and to practitioners, who tend to come from more conservative and technocratic origins. Enhancing the capability of committed and skilled professionals

to deal constructively with poverty, even though they are not themselves from the poorer social groups, appears to be a very wise investment. Also, in a wider social context, such alliances across traditional class boundaries can be beneficial.

### The Regional Dimension

One of the most interesting possibilities for scaling up and expanding the influence of participatory NGOs is found in rural regional development in organizations operating in a spatially determined socioeconomic area. This regional approach has several advantages. First, by working regionally, GSOs and MSOs gradually acquire an intimate knowledge of the socioeconomic situation of their territory and can diagnose its key poverty problems. This puts them in an extraordinary position to design programs for regionwide application and, perhaps more important, to collaborate with other organizations and share their knowledge. This regional synergy is one of the design features of the Bank's latest rural development project in Ecuador, one of the 20 cases to be studied by the learning group.

The second advantage is that, in my experience, it is often easier to collaborate with regional and municipal government organizations than with national and sometimes even with local agencies. Frequently, a strong spirit of regional solidarity can be used as a coalition builder and mobilizer of influential provincial personalities and local resources. This positive effect of regionalism may also be observed in the case of FDN in Peru. When the fieldwork was being carried out, the project director of the FDN was a local notable who was making promising efforts to line up the provincial business and civic community leaders to support the FDN's rural development efforts.

Third, in some regions, especially where there are ethnic communities, there are so many local organizations that broad programmatic reach and collaboration between them is not only possible but necessary. The Institute for Socioeconomic Development (IPRU), a very successful GSO in Uruguay, has taken advantage of the territorial reach of a cooperative federation to forge a large-scale collaborative program. In a sense, the relative smallness and homogeneity of Uruguay makes that country serve as a "region." Another GSO, the Education Unit for the Development of Chimborazo (UNIDAD), has built an impressive

network of Quechua-speaking community organizations in the Chimborazo region of Ecuador and helped to create a regional federation of Indian communities.

The fourth advantage concerns the spillover from innovative programs and the possibility that it can affect large numbers of potential users within a region. For example, the beekeeping project I reviewed earlier could, if properly followed up, spread far beyond the original beneficiaries. The Costa Rican agroforestry case has the potential to spread benefits to nonmembers throughout the area.

The final advantage is that the regional approach provides a great opportunity to multiply grass-roots base groups beyond the usual project framework. Sometimes sustainable impact depends on coordinated joint action by many groups and communities and is inspired and led by provincial or even private-sector specialists.

A regional approach is also most appropriate in countries embarked on decentralization. This approach not only opens up new avenues of collaboration with regional planning or action agencies but presents opportunities for popular organizations to participate in new local sources of decision making at the municipal level.

In a regional strategy, a donor may work with one GSO and a network of base groups or even with several complementary GSOs and MSOs operating in the same region.

Through trial and error, the Inter-American Foundation (IAF) has developed an innovative regionalized funding system in Colombia. Actually a three-tiered network arrangement, it is anchored by a strong support institution of regional scope (a GSO), but funding is also extended to grass-roots groups (POs) and federations of grass-roots groups (MSOs) in the same area. The IAF describes this system as a "spider," with the support institution as the main body at the center, grass-roots organizations at the extremities, and a dense web of connecting threads between (Ritchey-Vance 1991). This excellent model could be used by the Bank in combining assistance to various organizations, both governmental and nongovernmental, within a region. The Mexican Decentralization and Regional Development Project, another of the learning group's 20 review cases described by Cernea (chapter 12), has some features of this spatial concept, inherited from PIDER, its well-known predecessor.

## Conclusion

The Bank's recent interest in engaging NGOs in its efforts in participatory development has placed in greater relief the heterogeneity of the NGO universe and sharpened the difference between those that provide mainly socioeconomic services and those that consider themselves mainly capacity builders or innovators. The Bank wants to involve NGOs for effective delivery of services (shelter, credit, health care, and so on) to the poor and rapid disbursement of project funds. The Bank now also wants to provide assistance in culturally appropriate ways and to match services to community preferences. It looks to NGOs to promote a sense of "ownership" among the beneficiaries that will contribute to sustainability of project results and perhaps also make the development process more people-oriented and accountable.

Can all these traits be found together in the same NGOs? Not always. Efficiency, equity, and participation do not necessarily go together. But herein lies one of the big puzzles and challenges. Must the Bank look for different qualities in engaging different types of NGOs? Certainly. Specialization in NGOs, as in other organizations, is the trend of the future. But if the Bank takes participation seriously, it will get its best value from investing in the kind of GSOs and MSOs described in this brief essay—GSOs and MSOs that can combine and internalize technical and social know-how, the hard and the soft approaches.

In case after case, the bridge between service provision and social change is local capacity building. The best way service provision can become a sustainable and cumulative process is if the recipients learn to manage their resources and develop institutions and institutional linkages of their own to deal more effectively with the government and the market. Effectiveness in the social change role, on the other side, depends on a solid core of tangible benefits around which organizational and cooperative behavior changes can take place. The dynamic process described in the ANAI case is precisely a progression of service and organizational reinforcements leading to cumulative group capacity, or in Albert Hirschman's (1984) term, "social energy."

This is not a bad idea for the Bank itself. My work and that of others suggests that donors and financial agencies often contribute to the subopti-

mal performance of the NGOs they sponsor. Intermediary NGOs are frequently pushed into a contracting mode for quick fixes or given money for vague utopian ends under the label of grass-roots mobilization and empowerment. (One of my colleagues once characterized these NGO strivings as "heaven or the revolution.") For the Bank, I think that a too-instrumental interpretation of the role of NGOs in participation presents the former danger (contracting for quick disbursement). The case studies provide evidence that the social, organizational, and technical competence necessary to accomplish participatory development can be found within the same organization and that these traits can reinforce one another.

It seems that the Bank does not always recognize those NGOs that have these skill combinations. An internal review of NGO involvement in Bank operations cites the curious case of CARE and the Liberia Second Education Project. CARE was contracted for school construction under the project. With voluntary labor contributions, CARE built the schools for about 30 percent less than commercial contractors would have charged. But because CARE did not mobilize the communities to create a link between the schools and the villages, some buildings went unused and others deteriorated when villages did not plan for maintenance. The irony is that CARE is perfectly capable of acting as a community organizer but, in this case, was hired only to do construction and not self-help promotion.

The Bank needs not only to find intermediaries, but to reinforce their capacity-building abilities. Thomas Dichter of the Aga Khan Foundation has come to similar conclusions. In his chapter in this volume (chapter 11), he suggests that the Bank take the following actions:

- Explore ways to identify the intermediary organizations that offer the best potential for becoming institutional partners—that is, those that are pragmatic, field-oriented, and have both technical and organizational strengths
- Nurture these intermediary organizations and at the same time push them to achieve high performance—a stance resembling the one described earlier as "sensitive guidance"
- Create high standards in competition for Bank funds and build in rewards for high performance by lowering the transaction costs of partner institutions in Bank projects.

The implications of these ideas for funding options are excellently dealt with by Alexandre Marc (chapter 14). Marc clearly states that capacity building is central to the implementation of funding mechanisms supporting grass-roots participation. It is needed at the community level and, in some countries, also at the level of the local intermediary, such as an NGO or local government and local branch of the central government.

I would just add that capacity-building elements should be built into the various funding mechanisms and not treated as functions separate from financing. For example, in setting up the Social Trust Fund in Sri Lanka, the mission argued that the trust's training and technical assistance department should be closely integrated with the operations department. This linkage is necessary not only to augment the absorptive capacity of current grantees but, through outreach, to increase the supply of qualified potential NGO clients. In a different context, Judith Tandler (1990) found in evaluating the Bank's second-generation projects in northeast Brazil that, because the community fund was the only participatory component of the program (and was separately institutionalized), it did not subject the agencies carrying on the other components to the wholesome effects of user demand. Uphoff (chapter 15) reports that in the Philippines National Irrigation Association, the field organizers were the first to be let go during budget cuts. This shows that even where participation is thought to be well established, the nonmainstream activities can easily become detachable if they have not been thoroughly internalized.

### **Postscript: Beyond Instrumentalism**

It is very clear from the literature, including the Bank's own documents, that a serious commitment to participation will inevitably lead to difficult issues of governance. Perhaps the topic of grass-roots organizing, with its connotations of empowerment and the government's accountability vis-à-vis constituent groups, is one of the more delicate matters in this respect.

The question I ask is this: can the Bank support grass-roots organizing capacity beyond the strict utility it represents to Bank projects? If one conceives of organizations as human and institutional capital investment, benefits are likely to accumulate beyond the life of projects. But grass-roots organizations have more intrinsic values: they give "voice" to disadvantaged people in many ways,

they can hold the state more accountable, and, although such organizations have been often used as a means of state control, they also grow into movements of protest and pressure in opposition to other power holders. Organizations of oppressed and marginalized populations can be enriching and liberalizing and so contribute to the evolution of civic society.

I recognize that the statutory limitations of the Bank proscribe getting too deeply involved in governance issues. I am also aware that the main legitimation for the Bank's concern with participation is in improving project performance, especially sustainability and cost-effectiveness in specific operational contexts.

With regard to the latter, more instrumental options are likely to absorb most of the energies and resources that the Bank deploys in pursuit of participation—options that propose ways to adjust the project cycle, to introduce new financial mechanisms (see Marc, chapter 14 in this volume), and to persuade governments to reorient their customary practices, even in such limited sectors as irrigation, urban renewal, and social forestry. But I would like to see the Bank, to the extent that it is possible, take up the cause of participation in selected contexts in its sectoral and policy work as well. For example, while in Sri Lanka recently on a Bank preparation mission to help design a social fund with a labor-intensive infrastructure component, I noted many legal and financial obstacles that urban and rural local associations were facing in trying to participate in small construction contracts. In municipal development, a high priority area for decentralized management, one of the main problems is the inadequate representation and accountability of municipal councils. While this issue cannot be addressed directly, it can be indirectly approached by strengthening user and other economic interest groups within the municipality.

Another brief example will illustrate this. Municipal markets are invariably designed by architects and engineers, usually members of nonlocal consulting firms. They seldom take into account the wishes and needs of the people who actually sell in and use the market, the majority of whom are commonly women. I distinctly recall several personal experiences with poorly designed produce markets, one especially in a Jamaican town, where virtually all the selling was done in the small courtyard, spilling over into the neighboring alleys, while the brand-new concrete stalls inside stood empty. There were no adequate sanitary or

child-care facilities. If the municipality had had a market committee, a users association, or other representative interest groups, they could have helped to plan a more user-friendly and efficient market. And the municipality could have collected more revenue in exchange for better service.

Barriers to local organization are policy issues that could be included in economic and sector work focused on particular countries. As suggested in the recent high-level review of technical assistance in the Bank, civic organizational matters could become part of a richer, ongoing institutional analysis.

## Notes

1. This essay is meant to be an informal contribution to the Bank's workshop on popular participation and is not written as a formal chapter but rather as a stimulus for discussion.

2. More details are provided in the author's recently published book (Carroll 1992).

3. However, there is no agreement on the group structure compared with individual participation. Dichter (chapter 11), for example, stresses individual choice and talks of suppliers satisfying individuals' demand for services. For a recent attempt to provide an economic framework for participation (in which participation is equated with voluntary transactions), see Picciotto (1992).

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# 14

## *Funding Mechanisms and Participation: A Brief Review of World Bank Experience and Related Issues*

*Alexandre Marc*

### **Summary**

This chapter discusses the following question: what have we learned, and what are the major issues, as relevant to the World Bank, in designing and setting-up funding mechanisms more conducive to participation?

### *Implications of Participation on the Design of Funding Mechanisms*

Supporting participation at the grass-roots level has a number of implications for funding mechanisms. This support requires (1) flexibility in the use of funds, as it is often not possible to define exactly, over a period of four or five years, what is going to be funded, when the funding will be needed, and how much will be needed; (2) simplicity in the mechanisms to access and manage funds at the local level, given the managerial weakness of local communities and, in some cases, of nongovernmental organizations (NGOs) and local government; (3) mechanisms to permit small disbursements of funds, given the generally limited capacity to absorb disbursements at the community level; (4) transparent funding mechanisms to foster trust and confidence among participants; and (5) sustainable funding mechanisms that support long-term capacity building at the local level.

### *Experience with the Design of Funding Mechanisms*

Experience with the design of funding mechanisms raises two sets of issues linked to the delivery mechanisms and the receiving mechanisms.

- *Delivery mechanisms.* Three approaches are most commonly used to get funds to the communities. One is funding from the donor to the government to the beneficiaries through regular government channels. This approach works only where governments are already organized to carry out participatory approaches or when support for institutional changes needed to carry out such approaches is integrated into the project. Another is funding from the donor directly to intermediaries (NGOs or local government) or to the beneficiaries. This approach allows for flexibility but raises issues of bypassing governments and coordinating actions with national sectoral strategies. A third is funding from the donor to the government to a special fund. This approach provides flexibility in the use of funds and can be effective at involving intermediary institutions such as local NGOs and local governments but raises issues of sustainability and coordination with line ministries.

- *Receiving mechanisms.* Setting up receiving mechanisms at the community level raises four particular issues: (1) using NGOs and local orga-

nizations as local intermediaries to support communities in managing funds; (2) establishing user groups among communities—a long-term process that needs important capacity-building effort at the local level; (3) organizing cost-sharing mechanisms, both to increase resources for local activities and to ensure a commitment on the side of the beneficiaries; and (4) introducing cost recovery, which ensures sustainability but often is difficult to implement.

### *Major Impediments in the Design of Funding Mechanisms*

The design of funding mechanisms supportive to participation can be limited by: (1) government regulations and management, a category that includes procurement rules, the predominance of “ex ante” control on expenditures, and the lack of trained and motivated staff to follow up on funding at the local level; (2) donor management of operations, which might include such variables as exclusive use of government channels, specific regulations on procurement and disbursement, and weak supervision; and (3) institutional weakness of communities and some local NGOs,

### *Implications for the World Bank*

The review of experience with the design and implementation of funding mechanisms has a number of implications for the World Bank. Among these: World Bank directives on procurement can be broadened to include approaches favorable to small-scale programs adapted to communities’ management capacity. Advice on country regulatory framework and financial mechanisms can be a way to support government in channeling funds to the grass-roots level more effectively. There is a need to strengthen supervision when flexible funding mechanisms are used. Integration of monitoring and evaluation components in the Bank projects could facilitate supervision and the work of project managers in dealing with many small-scale components. Clarification of the concept of accountability in the use of project funds is also needed to introduce accountability from the government to the beneficiaries. A system of direct funding for pilot participatory programs could be helpful to test new approaches and strengthen local capacities. Increased support for long-term ca-

capacity building at the grass-roots level will develop communities’ capacity to manage funds. Strengthening the documentation process on experience with funding mechanisms would facilitate innovative design in Bank projects.

### **Introduction**

The design of funding mechanisms has important implications for the successful implementation of programs with strong beneficiary participation. The National Irrigation Administration in the Philippines redesigned its funding mechanisms to associate the farmers more closely with the management of irrigated land. The debate on decentralizing social services and increasing beneficiary participation in the delivery of these services bears directly on funding issues. NGO participation raises many issues linked to the channeling and management of funds. This chapter focuses mainly on participation at the grass-roots level in urban and rural areas. Issues related to funding mechanisms should not be seen as separate from other institutional and conceptual issues. Since the boundaries between these fields is difficult to draw, the chapter inevitably touches on some broader institutional issues. Because the objective of the chapter is to raise issues but not to discuss all aspects of funding, some areas, such as credit, are not discussed in detail.

Thus this chapter asks what we have learned about designing and setting up funding mechanisms more conducive to participation and what are the major issues relevant to the World Bank.

To answer this question, the chapter first identifies the major implications of implementing the beneficiary-participation approach to funding mechanisms. The chapter then reviews briefly the experience with the design of funding mechanisms, using selected cases. Two major questions are addressed: how can funds be channeled from the donors and the governments to the people at the grass-roots level so that participation occurs? What receiving mechanisms can be set up at the local level by people and communities so that participation is sustained? The chapter then discusses the issues raised by such approaches for donors and governments. Finally, the chapter discusses specific issues related to the improvement of the design of funding mechanisms in the context of World Bank operations.

## **Implications of Participation on the Design of Funding Mechanisms**

Five major characteristics, in our view, are important (although not necessarily present at the same time) in funding mechanisms that effectively support beneficiary participation at the grass-roots level.

### *Flexibility in the Use of Funds*

Flexibility is a general prerequisite to any project implemented with beneficiary participation. In many such projects, it is not possible to define, over a period of four or five years, exactly *what* is going to be funded, exactly *when* the funding will be needed, and exactly *how much* will be needed. This reality requires a different approach from most investment programs, where most details of funding are determined before the project is approved or the program budgeted.

Since participation means that beneficiaries have a say in the project or the activity that concerns them, the beneficiaries themselves, or the implementing agency, must be able to adjust the project to respond to perceived needs. For instance, socio-economic development funds use a demand-driven approach that leaves to the communities the identification of beneficiaries' exact needs. Discussions among the beneficiaries and between the beneficiaries and the project managers determine the needs and the size of the subprojects. In communities that have reached a consensus on their priorities, proposals can be made rapidly. In other cases, communities might need longer to reach an agreement. As a result, the time when funding will be needed might vary from one set of beneficiaries to another, even under the same program. This process also means that it is impossible to know in advance exactly what is going to be funded and the exact amount of funding needed. The more freedom given to communities to express their precise needs, the less easy it is to define precisely the funding requirements during project preparation.

### *Simplicity in the Mechanisms to Access and Manage Funds at the Local Level*

Supporting direct beneficiary access to funds and involvement in the management of these funds can be a very efficient way to foster participation. However, weak management capacity is often a characteristic of NGOs and even of many local

governments. These organizations very often cannot cope with the complex and lengthy bureaucratic processes of the central administration. This weakness has an impact on all aspects of funding, especially procurement and reporting. Funding mechanisms have to be adapted to an organization's level of management capacity.

The lack of specific simple and adapted mechanisms appears obvious when local participation is promoted but funding is provided through regular governmental channels. In Uganda, in the Program for Alleviation of Poverty and Social Cost of Adjustment, for instance, this became a central issue as NGOs and Resistance Councils (village organizations) implemented components of the program, whose funding came through regular government channels using very long and complex disbursement procedures.

### *Mechanisms to Permit Small-Scale Disbursements of Funds*

Communities can generally be directly involved only with small-scale projects because the absorptive capacity at the community level, especially in rural areas, is limited. Even when the overall project finances a variety of actions (such as well construction, irrigation, and health services), each individual activity will generally involve small disbursements.

In the European Community Microprojects Program in Zambia, which is being strengthened and expanded under the International Development Association Social Recovery Project, the average subproject size is \$30,000 and the estimated number of subprojects is 700, over a four-year life span. In the Mexico Decentralization and Regional Development Project, each individual subproject funded under the Municipality Solidarity Funds has to be under \$25,000. Special mechanisms are needed to fund a multiplicity of small-scale projects involving many implementers and small contractors.

### *Funding Mechanisms Ensuring Transparency*

Transparency is needed to create trust and confidence among participants. If beneficiaries are asked to participate in a program, they need to have a clear view of the program objectives and of how funds are being disbursed, for what they are being disbursed, and to whom they are being disbursed. Transparency will also be needed to sup-

port monitoring and supervision. Specific mechanisms, such as the establishment of management and information systems, can support financial transparency. NGOs collaborated with the Emergency Social Fund in Bolivia because the fund's operations were transparent and the NGOs knew where the money was going. Not only was financial information constantly updated, it was easily accessible to the fund's counterparts, donor, and implementing agencies (Jorgensen, Grosh, and Schacter 1992).

### ***Funding Mechanisms Ensuring Sustainability***

Participation is a long-term endeavor, usually requiring long-term capacity building at the local level. Both financial and institutional sustainability are essential to maintain relevant activities after the project has ended. Long-term funding availability and permanent institutional capability to manage these funds are central conditions to sustaining beneficiary participation.

### **Experience with the Design of Funding Mechanisms**

This section briefly reviews experience with the design of funding mechanisms supportive to participation. Two questions are discussed. First, what delivery mechanisms are best suited to channel the funds to the communities or the beneficiaries? And second, how can the communities and local organizations that comprise the receiving mechanisms organize themselves to manage the funds? These two questions raise a number of different issues.

### **Getting the Funds to the Communities**

Various approaches have been tried. Three of them are most common. One is funding from the donor via the government to the beneficiaries, through regular government channels. This approach is feasible only when governments have already organized themselves to carry out programs involving beneficiary participation or when support for institutional changes needed to carry out such approaches is integrated into the project. Another approach is funding from the donor directly to intermediaries (NGOs or local government) or to the beneficiaries. This approach is used by the World Bank only for lending to local governments. However, the possibility of lending

directly to NGOs or setting up a fund to provide direct grants has been discussed in the World Bank many times. A third approach is funding from the donor via the government to either a special fund, local intermediaries, or directly to the beneficiaries. In this case, the special fund acts as an apex and provides the necessary flexibility.

### ***Working through Regular Government Channels***

This is possible when governmental institutions are organized to work in a participatory way, with flexible systems. In such cases, funding can be directly channeled through central ministries or development agencies and supported by donors through regular projects. Some countries have reformed development agencies to increase beneficiary participation in program design and implementation. In the Philippines, for example, the National Irrigation Administration reorganized itself, modified its funding mechanisms, and set up user associations to manage funds and carry out participatory activities (Korten and Siy 1989). And in India, reform efforts resulted in the creation of the Women's Development Program in Rajasthan, supported by the United Nations Children's Fund (UNICEF). The program grew out of rigorous exercises undertaken by the State Department of Rural Development to reduce the difficulties encountered in implementing development schemes. One clear finding was the need to increase the participation of poor rural women in community development activities. Various state agencies joined the effort, and a new process was initiated linking government development agencies to women's organizations (Das 1990). The Asia region has a number of examples of line ministries and development agencies that have organized their services to support participation in development activities.

Another approach is to work through regular governmental channels while providing support and advice to adapt existing mechanisms to participatory approaches. This can be done through capacity-building projects and policy-based lending built on a program of reform worked out between the government and the World Bank. The Decentralization and Regional Development Project for the Disadvantaged States in Mexico, for instance, supports the strengthening of the Municipal Solidarity Funds and the Development Funds for Indigenous Populations. Both funds share the goal of strengthening beneficiary partici-

pation. Michael Cernea's chapter in this volume describes the process by which participation was brought about in the Programa Integral para el Desarrollo Rural (PIDER), a poverty-reduction program located in Mexico's Federal Secretariat of Programming and Budgeting. In the Human Resource Development Project in Senegal, which has a very strong policy content, the government is decentralizing health-service financing to involve the local population as a condition of the project. The project supports the reorganization of the local health committee to allow for stronger beneficiary participation. To insure that drugs are provided to the local health centers in a transparent and timely manner, the National Pharmacy has been granted a three-year exemption from standard government procurement procedures and will receive the government funds for the purchase of drugs through a commercial bank account.

Working through government channels and supporting changes in government funding mechanisms to involve the population in the design and implementation of actions at the local level is often a slow process. Sometimes it entails profound reforms with legal and political implications, such as the decentralization of responsibility for implementing the National Budget. It requires strong commitment on the part of the government and civil servants to participatory approaches and decentralization. This commitment may be difficult to obtain because it could mean reducing the power of bureaucrats. It often requires important institutional support, in terms of technical assistance and training. But successful reforms of government funding mechanisms ensure greater sustainability. With the exception of current projects supporting decentralization, donors rarely advise governments to manage budgets in ways that would support increased citizen participation.

#### *Getting the Funds Directly to the Beneficiaries or to Local Intermediaries*

Interference is difficult to avoid when funds are channeled through governments, and this might jeopardize attempts to get funds directly to the communities or to local NGOs working with the communities. As a result, many donors are setting up direct funding mechanisms that do not involve governments.

The many embassy funds provided directly to communities or to local NGOs to support micro-

projects are an example of such approaches. The United Nations Development Program (UNDP), through the Partners in Development Program, makes grants for direct support to NGOs mainly for community-based participatory development activities, including microenterprises and income-generating activities. Sixty countries participate in the program, which gave out more than 400 awards between 1987 and 1990. Many bilateral donors transfer funds directly to international NGOs' headquarters to give these bodies the necessary flexibility of working without government interference. Most of the actions supported by organizations such as the Ford Foundation and the Inter-American Foundation or international NGOs such as Oxfam are funded through direct funding mechanisms. The U.S. government runs a similar program that awards \$50 million a year for grassroots development projects.

Direct funding not only increases speed and flexibility in the use of funds; it also can be effective in reaching and supporting groups that are often completely left out by government policies, allowing for innovative approaches to development and, in many cases, encouraging increased beneficiary participation. This approach raises the issue of sustainability. In countries where private funding for local development is extremely limited, the sustainability of direct funding that does not use governmental channels is very much linked to the presence of external donors using direct funding mechanisms.

Using such funding mechanisms tends to leave the government out completely. This can be a problem in the case of large-scale development activities, where close coordination with the government is needed to ensure some homogeneity in the national development activities. In some countries, the development of direct funding has not meant a parallel improvement in coordination and implementation of national strategies. In Chad, for instance, the fact that donors have directly funded very large NGO programs to carry out rural development activities at the local level has not helped in the implementation of a coherent national strategy or resulted in a markedly participatory approach. Part of the reason has been the strong pressure on NGOs to spend. They have had to implement large projects in a short period of time with limited capacities.

Direct funding does not mean the absence of accountability. It needs very close monitoring and follow-up, and this has a cost for funding organi-

zations; large donor agencies are seldom equipped for such follow-up. Foundations and some international NGOs are much better placed to use such funding mechanisms.

It is often assumed that NGOs always use participatory approaches and, therefore, that direct funding to these organizations will support the increased involvement of beneficiaries. This is far from being the case; some NGOs use a very top-down approach. The more than 13,000 community development associations in Egypt are officially registered as private voluntary organizations (PVOs), but they are very often urban-based welfare organizations with few mechanisms to involve the beneficiaries in decision making or in the implementation of projects.

### *Setting up Socioeconomic Development Funds*

For many years donors, including the World Bank, have supported governments in setting up special funds to support grass-roots activities (World Bank 1991). More recently this approach has been extended to multisector funds in areas such as health, education, population, and food security. Such initiatives increasingly involve NGOs as intermediaries to support local communities. The various institutional arrangements set up to manage the funds have been regrouped under the denomination of socioeconomic development funds (SEDFs).

SEDFs are designed to provide funding to local organizations in a more flexible and transparent manner than line ministries can, through a regular investment budget. SEDFs are in some ways apex institutions, serving as intermediaries between governments, donors, and communities. The objective is to turn large fund amounts into small subprojects, using procurement and disbursement mechanisms commensurate with local managerial capacities. Not all SEDFs have increased beneficiary participation as an objective; some aim to respond to emergency situations, using flexibility to ensure rapid rehabilitation of the infrastructure, or to create employment, using labor-intensive public works techniques. Cases in point are AGETIP in Senegal, or part of the Bolivia Emergency Social Fund (ESF) activities.

An SEDF does not identify or implement subprojects. It promotes specific activities, appraises subprojects presented for funding, supervises their implementation, and monitors their effectiveness. The communities and organizations

working at the grass-roots level are responsible for identifying community needs, preparing subprojects to be presented to the SEDF for funding, and implementing the subprojects. Since local communities often have weak management capacities, SEDFs often support sponsoring systems through which local organizations (NGOs, government development agencies, and local governments) assist communities to articulate their needs and implement subprojects.

SEDFs use strict appraisal and selection criteria. These vary with the SEDF objectives. Criteria are generally concerned with the quality and sustainability of subprojects and the existence of mechanisms to ensure that target groups are reached. Criteria must also ensure that the government's overall development strategy is taken into account, that the beneficiaries actually participate in all stages of the subproject cycle, and that the implementing agency has the capacity to carry out its task. In some cases, criteria vary according to the type of project funded. In the Bolivia ESF, for example, the criteria for health programs, basic education programs, and nutritional programs are all different. Criteria must be precise but, at the same time, flexible enough to allow communities, NGOs and local governments to present subprojects that fit real needs.

To be transparent, to have flexible funding, procurement, and disbursement procedures, and to avoid political interference, SEDF management needs some degree of autonomy. The degree needed will depend on the extent of the problem with government regulations and the level of political pressure in the administration. The stronger that pressure, the more autonomy will be necessary. This autonomy can be provided by giving a special status to the SEDF. In Bolivia, Haiti, and Sao Tome, the funds were set up as independent institutions directly reporting to the president; in other cases, SEDFs have been set up inside a ministry, but with specific directives on the management of funds. Transparency can be reinforced by having representatives of the private sector on the board of an SEDF, if it is an independent institution, or by having a special committee to oversee fund operations when the private sector is represented. SEDF special status allows a more flexible approach to disbursement and contracting. In the case of the Bolivia ESF, sponsoring agencies responsible for project implementation could select any contractor to carry out public works. The contractor would sign a contract with the ESF. Proce-

dures involved establishing a standard price for public works subprojects (based on a schedule of unit costs developed and continually updated by the ESF) and making a take-it-or-leave-it offer at this price to the contractor proposed by the sponsoring agency (Smith 1991).

SEDFs have recently been developed, with World Bank support, in Bolivia, Honduras, Haiti, Egypt, Sao Tome, Principe, Cameroon, Guinea, Somalia, and Malawi. It is too soon to see the real impact of SEDFs on strengthening popular participation, but they have generally developed funding mechanisms that have facilitated access by grass-roots organizations to government and donor funds.

So far SEDF autonomy has raised two major issues: sustainability of the institution (especially in the case of self-standing institutions) once external funding ceases, and coordination with the sectoral strategies of line ministries. The coordination is essential to avoid duplication of efforts, to ensure that recurrent costs will be available from the recurrent budget to maintain the infrastructure rehabilitated by the SEDF or the provision of services (such as doctors and drugs in health centers and teachers in schools), and to ensure coherence in the implementation of sectoral strategies at the local level. Supervision by the SEDF can also become an issue, considering the large number of small projects that they fund. In the case of the Bolivia ESF, the SEDF contracted supervision tasks to local consultants or NGOs that had the technical capability for close supervision. In many cases, SEDFs support fairly simple sub-projects that involve a minimum of follow-up or that require a fairly standardized approach to supervision.

### **Management of Funds at the Community Level**

The management of funds at the local level raises many questions. Four aspects of the problem will be briefly discussed: the use of NGOs as intermediaries, the establishment of users groups, the importance of cost sharing, and, finally, the issue of cost recovery.

#### *Working with NGOs and Local Organizations at the Local Level*

In many cases, local intermediary organizations have been used to help communities manage funds.

In programs such as the Health Development Project in the Philippines, the community health development component is carried out mainly through local NGOs. NGOs can manage funds on behalf of the communities or provide support to communities to manage funds. This technique is working with organizations that have a good knowledge of local realities, that the communities already know and trust, and that have good local management capacities. Unfortunately this is not the case for all NGOs. Thomas Carroll's paper on capacity building for participatory organizations (chapter 13) presents a typology of NGOs and stresses the importance of the support that national intermediary organizations can provide to local developmental groups (grass-roots organizations) to develop participatory approaches.

Much has been said about the collaboration between donors, government, and NGOs (see Paul and Israel 1991). In some countries, including many in Africa, very few NGOs operate, and these are mainly foreign NGOs. Such NGOs have only a limited coverage of the country, and this can become a major limitation. When working through small-scale local NGOs, weak management capacity is also often a major limitation.

#### *Setting up User Groups to Manage Funds*

To properly manage funds at the local level, communities must organize themselves in an appropriate way. Some traditional types of community organization, such as the Tontine in West Africa—saving groups set up mainly among women entrepreneurs—have long been involved in fund management. But traditional systems that rely mainly on social pressures cannot fully satisfy the needs of the people in rapidly changing economic environments. There, more sophisticated community management systems are needed. Users groups for the purpose of fund management are common in the areas of credit and saving schemes and water supply, where there is extensive experience to mine.

In setting up users groups, a number of problems may arise: There may be weak capacity at the community level to manage funds, especially accounting. Collaboration with government services, local or central, can be difficult. Local government services may not be trained to discuss such issues with communities and may not be equipped to support communities in setting up such groups.

There also exists the risk for conflict inside communities, resulting in the marginalization or exclusion of some groups. The size of the group and its degree of homogeneity usually determine the chance of conflict. The groups created by the Grameen Bank, for instance, are always from the same socioeconomic strata, a factor that has helped to avoid conflict. Group formation can take a long time and may need external support for a longer period than the usual lifetime of a project. Some effective user groups involved in fund management are the Irrigators Associations, set up as part of the National Irrigation Authority operations in the Philippines, and the voluntary district education committees in Zambia.

### *Cost Sharing*

Cost-sharing mechanisms are often mentioned as being supportive to people's participation for two reasons. One, cost sharing increases resources at the local level and so can improve financial sustainability. Two, cost sharing gives communities a stronger sense of ownership of the project and can push them to implement more efficient collective decision making, to manage conflict, and to create accountability mechanisms at the local level. Cost sharing can be done through the provision of funds, labor, or local material by the communities.

Managing cost sharing at the local level raises various issues. One potential problem is the exclusion of some groups, particularly the poorest, who cannot provide money and may be too busy to provide their own time to the project. Another problem may come into play if the government is involved. Unless mechanisms are in place to ensure the accountability of the government to the community, there is a strong risk that the resources provided by the community through cost sharing might not be used adequately.

### *Cost Recovery*

Cost recovery is one way to reduce government subsidization of some programs, increase sustainability in the funding, and improve the efficiency in the delivery of some services. In many cases, cost recovery has also been seen as a possible way to sustain the activities of socioeconomic development funds. Cost recovery can ensure more rational use of resources. If a community has to

reimburse money received for a particular activity, it would probably be more prudent to use this funding for productive purposes. However, cost recovery is often difficult to organize, and experience with the design of cost-recovery mechanisms in socioeconomic development funds has not been satisfactory.

### **Major Impediments in the Design of Funding Mechanisms**

A review of experience in designing funding mechanisms shows severe limitations in governmental regulations and management and in donor management of operations. The institutional weakness of grass-roots and community organizations is often a problem.

#### *Issues Linked to Government Regulations and Management*

Governmental regulation and management of funding mechanisms varies from country to country. The way rules and regulations are applied varies also, but in general, a discussion of participatory approaches brings up three major issues linked to government procedures.

These issues concern (1) procurement, (2) the predominance of "ex ante" controls of expenditures, and (3) the lack of trained and motivated staff to follow up on funding at the local level.

*Procurement.* Governmental procedures on procurement are established to ensure cost efficiency (the best level of prices for the best quality of services possible) and to ensure fair competition between providers of services and goods. Since major governmental agencies have special units in charge of procurement, simplicity is not an objective of the system. In most cases, competitive bidding is the rule, whether providers are local or international, and the procurement agencies require proof of experience, official registration (often a complex process), and financial guarantees. Very often, specific advantages are given to local parastatals in the bidding process, and the process is conducted or controlled by an overburdened central commission.

There are four usual consequences: (1) long delays in the procurement of goods and services, (2) exclusion of small-scale artisans or providers of goods and services, (3) difficulty for communi-

ties that wish to do some of the work by themselves, and (4) complexity in the paperwork required to gain access to government markets.

An extreme case is Egypt, where procurement was a major issue discussed during preparation of the Egypt Social Fund. Exceptions to the rules (however justifiable) are very difficult to establish without parliamentary agreement.

*Predominance of ex ante controls on expenditures.* Developing countries' administrations often have cumbersome ex ante control systems in which any expenditure is screened and authorized by various governmental units before disbursement. These controls are in place to compensate for the typical weaknesses of ex post controls, auditing, and monitoring (Lacey 1989). A study of disbursement mechanisms in Côte d'Ivoire showed 12 steps between a bill's presentation to a ministry and the disbursement by the treasury (SEDES 1983). Such multiple control sequences delay payments, require major efforts to document expenses by the beneficiaries or the providers of services, and limit flexibility in the use of funds from governmental channels.

*Lack of trained and motivated staff to follow up on funding at the local level.* Staff of central ministries at the local level generally have limited capacities to manage funds. They rarely have training in community development. Their role is limited to accounting functions, and their responsibility is minimal. Two additional factors reduce the motivation of bureaucrats at the local level: the reluctance of the center to delegate responsibilities and the distrust of decision makers for those lower in the hierarchy. These factors create gaps between the administration and the beneficiaries and NGOs; the latter groups have no interlocutor at the local level able to discuss their problems and support them.

### *Issues Linked to Donor Management of Operations*

Some issues linked to donor regulations or operational directives can discourage the introduction of flexible funding mechanisms. These issues are: (1) the government's usual position as a donor's prime interlocutor, (2) specific regulations on procurement and disbursements, and (3) weak supervision.

*The government is in most cases the prime interlocutor of a donor.* Government channels are generally used, and government regulations are usually followed. This respects homogeneity in the procedures used in the country but also transfers the problems identified earlier to donor-funded projects.

*Specific regulations on procurement and disbursements.* In some cases, donor regulation can be limiting. In the case of the World Bank, for instance, the insistence on international competitive bidding, while important for investment programs involving the private sector, might not be appropriate for local participation; exceptions may have to be made. For the Emergency Bolivia Fund, the use of a unit price costing system, supporting direct contracting instead of open bidding, was approved by the Bank after a long debate. Ensuring more flexible procedures as part of Bank projects has been a difficult process for task managers in some cases.

The long time necessary for the headquarters of the large donor agencies to process a funding request—as well as the reporting requirements involved—becomes an issue when funding is aimed at community groups or local organizations such as NGOs. In some cases, donor agencies have shown little interest in projects below \$5 million because of the high cost of preparation, despite the fact that many projects supporting participation are actually of a small size.

*Weak supervision.* Lack of resources to supervise the use of funds when flexible mechanisms are involved is often mentioned as a problem by World Bank task managers. This has also been an issue for other donor agencies. But the World Bank Operations Evaluation Department reports do not always find a clear correlation between increased supervision and improvement of project efficiency. This issue is discussed more thoroughly in Part IV.

A key question here is whether large donor agencies and, in particular, the World Bank are "wholesalers" or "retailers"—that is, whether they should provide funding and ensure that sufficient local capacity exists to "retail" funds in a satisfactory manner, or whether they should get involved in the detailed follow-up of activities in the field. If the donor agencies retain the role of wholesaler, then close supervision should be the responsibility of the borrowing governments, who could subcontract this task to private or public institutions.

### ***Issues Linked to the Institutional Weakness of Organizations at the Local Level***

The capacity of local organizations to manage funds at the local level is generally weak, although this varies according to the region, country, and groups targeted by the project. To gain access to funds or to manage these funds, community organizations often need basic management skills that rarely exist when the project starts. Local capacity building is essential, but it takes time and resources and needs to be carefully thought through to allow for the cultural and social characteristics of the groups concerned. It needs efforts that will often have to be sustained beyond the life of a project.

### **Implications for the World Bank**

This review of experience with the design and implementation of funding mechanisms raises a number of implications for the World Bank.

#### ***Clarifying the Concept of Accountability in the Use of Funds***

Transparency in the use of funds is essential if trust is to be established among the partners in a program involving beneficiary participation. In regular Bank projects, most of the reporting and auditing requirements are in place to ensure that the government is accountable to the Bank. Similar mechanisms should be developed to ensure that the community is accountable to the government (as is often the case) and that the government is accountable to communities for the use of funds at the local level. The beneficiaries should know precisely what should be provided to them by the government under the project and be able to monitor the use of funds that the government manages on their behalf. This added perspective requires new approaches to monitoring and reporting.

#### ***Providing Advice on Regulatory Framework and Financial Mechanisms***

When the government's regulatory framework for the use of funds is not conducive to participatory projects, the World Bank can provide advice and support in adapting regulations and institutions. Such advice on how to adapt funding mecha-

nisms (central and municipal budgets) to make them more supportive of participatory approaches could become an important feature of sector work, investment projects, and policy-based lending. Advice on the creation or improvement of NGO funds as part of the governmental budget, on the establishment of local development funds, and on flexible funding mechanisms to be used by governmental agencies can increase sensitivity to and motivation for increased participation.

As part of its legal work in support of private sector development, the Bank could provide advice on adapting a country's legal framework to facilitate access to private funds by the NGOs or local association and communities, especially in terms of a supportive fiscal system. In some cases, government could support the creation of private foundations. These could favor private sector involvement in direct support to local activities. The Ford Foundation and the Fondation de France both have programs to support such initiatives. The Bank could provide especially valuable support on the legal framework in cases where the dialogue between the government and foreign foundations is limited.

#### ***Strengthening Supervision***

The Bank definition of supervision is very broad. An internal Bank report defines the scope of Bank supervision in the following way: "Supervision' comprises more than the periodic post-appraisal visits of missions to a project. It involves the whole range of Bank contacts with the borrower in the course of the project implementation, and the whole technical, analytical, and decision-making apparatus of the Bank, including the periodic Bank-wide reviews of problem projects." Yet supervision is still considered a secondary activity. The emphasis is still on project preparation. Recently, specific efforts have been undertaken to enhance supervision. The Africa region has set up various mechanisms to improve the monitoring of project implementation and supervision, including thematic supervision, greater involvement of resident missions in following up on routine supervision and checklists of best practice, and increased time allocation.

Supervision becomes even more central in projects integrating beneficiary participation. When funding mechanisms are designed to ensure flexibility, close attention must be paid to how funds

are used. Supervision requirements for socioeconomic development funds illustrate this. Sub-projects over a certain size have to be sent to the Bank for approval. Smaller subprojects will get ex post reviews during supervision to ensure that they meet the criteria and that procurement has been done adequately. This is a particularly time-consuming activity.

When learning-by-doing approaches are involved—these are still very rare in World Bank projects—the learning process must be monitored, project funding may be restructured according to the findings, and the project may continue to be shaped while being implemented. Finally, because participation is often new to government and involves partnership with local governments, NGOs, and community organizations, the Bank's role as advisor, supporter, and mediator becomes critically important to ensure good working relationships among the partners. The Togo Grassroots Development Initiative Project has, for instance, requested Bank staff to support the improvement of the working relationship between the NGO and the government during implementation.

This raises important questions for the Bank:

- The average time allocated per investment project is often too small, according to some task managers. Supervision budgets often do not cover the necessary travel. The issue can be resolved by transferring resources from projects that require less supervision-intensive activities to projects that require more intensive supervision. It does not invariably follow that more time will improve the quality of work in the field. More intensive supervision has not always been correlated with better implemented projects; often the increased need for supervision may be a result of problems in project design.

- Can we expect staff to be willing to provide all the attention required to complex supervision issues when they will be judged more on their activity linked to project preparation? This issue is also raised in Bank reports on supervision.

- Can cheaper and more flexible ways to carry out supervision, such as relying more on resident missions and the use of local staff, be effective? This will depend much on how the workload is distributed inside the resident mission. It cannot just be added to the usual task of a resident mission without increasing time allocation, and local

staff may not possess adequate skills to supervise projects fully. Part of the supervision work could also be contracted to local consultant, universities, and NGOs.

- How much can the Bank rely on built-in project mechanisms to facilitate supervision? Audit instruments, for example, can facilitate supervision work; the Mexico decentralization project has provision to carry a procurement audit. This supports the idea that the Bank is a "wholesaler" and that close follow-up is the responsibility of borrowers.

### *Supporting the Integration of Monitoring and Evaluation Components in Bank Projects*

Integrating monitoring and evaluation components in projects relying on transparent and detailed accounting systems can facilitate the implementation of projects with beneficiary participation. It supports supervision by providing the necessary information on the uses of funds; it also supports project managers in managing what are often complex financial mechanisms involving many partners. It allows project teams to anticipate problems and therefore facilitate adjustment during implementation. Financial and procurement monitoring should be an integral part of the overall monitoring and evaluation component of projects involving participation of beneficiaries. But integrating large monitoring components into projects involves time and resources and can meet resistance from borrowers and project staff.

According to an internal Bank review of 1985, strengthening monitoring and evaluation in Bank projects has not been easy: "Ever since the intrinsically worthwhile functions of monitoring and evaluation have been singled out for special treatment in and outside the Bank, there has been some confusion about definitions and application, and considerable resistance to [monitoring and evaluation] activities on the part of the borrowers and donor agency staff." The report later suggests integration of the monitoring in the management and information system (MIS) as one solution: "In practice, a conceptual reorientation could mean to cease viewing monitoring as a separate endeavor and instead fully incorporate this function into a project's management and information system and into its accounting/reporting procedures." Strengthening monitoring and evaluation of funding mechanisms is a central requirement.

### ***Providing for More Flexibility in World Bank Directives on Procurement***

Existing World Bank directives allow for some flexibility in the way funds are used in projects. However, the issue of procurement is often raised in project preparation. It is linked to the use of competitive bidding, which is the rule for procurement in Bank projects. In some cases, when communities have to get involved in the direct implementation of projects, competitive bidding is not appropriate. Going through a formal bidding process might not be feasible when contracting small artisans to carry out work for the communities.

The Bank has made exceptions to its rules when guarantees were provided that transparency would prevail and that cost would be controlled. In the case of the Bolivia ESF, a unit price system was set and direct contracting awarded, on the basis of these costs. The World Bank carefully appraised the system before disbursement started. In the Mexico decentralization project, a procurement audit is carried out regularly to ensure that direct local contracting for small-scale contracts is done in a transparent manner. Local shopping is also accepted, but in most cases for small amounts. In many cases, procurement remains an issue in the preparation and implementation of projects. Sometimes the difficulty comes more from a restrictive interpretation of the rules than from the rules themselves. The Bank could review experiences with alternative methods for projects involving beneficiary participation and identify the type of system that can be built in projects to give the necessary guarantee of cost-effectiveness and fair competition.

### ***Developing a System for Direct Funding for Pilot Participatory Programs***

Direct World Bank funding to communities or local grass-roots organizations would be justified if it supports Bank operations and complies with Bank advice on participation. The advantage of direct funding is that it can be processed rapidly and increases flexibility in the use of the funds. It would be helpful to test new approaches during project preparation and to carry on learning-by-doing activities as part of sector work. Direct funding could be used as a capacity-building device to support the strengthening of local communities

and NGOs. The World Bank already has some experience with the management of grant funds such as the Global Environment Fund.

Direct funding could take three forms: (1) lending directly to local NGOs or foundations with governmental guarantees, as is done for parapublic firms; (2) taking a "participation" share in foundations, as the International Finance Corporation (IFC) takes participation in private sector firms; or (3) setting up a grant fund in the Bank to directly fund pilot operations from which the Bank could learn.

But this approach raises valid concerns. Many grant-fund schemes for participatory activities are already provided by private, bilateral, and multilateral donors. Why not instead study activities funded by other donors, as has been done for the Aga Khan Rural Support Program in Pakistan (World Bank 1990) or in Sharon Holt's (1991) evaluation of village banking operations? Direct funding will be valid only if the Bank ensures the adequate follow-up of the projects to learn from them. This would entail management and follow-up costs.

In the case of direct lending to NGOs or foundations, governments might not guarantee loans to organizations they do not control. NGOs might see this as increased control of their operations by the government that guarantees the loan.

### ***Supporting Long-Term Capacity Building at the Local Level***

Capacity building is central to the implementation of funding mechanisms that support grass-roots participation. Capacity building is needed at the community level and, in some countries, at the level of local intermediaries (NGOs or local governments and local branches of the central government). This seems to be a key factor, not only for funding mechanisms, but for the sustainability of actions involving participation. Capacity building often lasts beyond the lifetime of a project. Specific actions, like training and advice, should be integrated into projects, as they often already are.

### ***Strengthening the Documentation Process on Experiences with Funding Mechanisms that Allow for Increased Participation***

Funding mechanisms conducive to participatory activities are being developed in very different socioeconomic structures and institutional and

political environments. Replicability is often difficult. Despite the success of the Grameen Bank and the many attempts to replicate the approach in other countries, no similar institutions have been developed yet elsewhere. Despite its achievements, the Bolivia Social Fund system could never be transferred unchanged to other countries. Full documentation is needed to assess what is replicable. Specific OED reviews on participatory projects, like the review of the Aga Khan Program, could also help in this process. A detailed review of various funding mechanisms to document some of the issues raised in this chapter would also be important.

### Note

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# 15

## *Monitoring and Evaluating Popular Participation in World Bank-Assisted Projects*

*Norman Uphoff*

Monitoring and evaluating participatory components in World Bank-supported projects should be more than a monitoring and evaluation exercise or process. It should be done in ways that strengthen intended beneficiaries' capacities to help manage project activities and sustain project benefits. The cost of such monitoring and evaluation is more easily justified if the expenditure helps to build up management capabilities among local communities, rather than just produce information for monitoring and evaluation of project activities. Accordingly, this paper considers methodologies that can contribute to longer-term participatory operation and maintenance.

The approaches to participatory monitoring and evaluation are considered under two categories borrowed from anthropology: "etic" and "emic." The first attempts to present reality in "objectified" terms, intended to be intelligible and comparable for persons who do not share all the assumptions and experience of the intended beneficiaries. In other words, this is an outsider's view. The second tries to represent reality as understood by persons within their own culture or society; this is an insider's view. Both are valid perspectives and should be drawn on when undertaking monitoring and evaluation of participation or, more important, participatory monitoring and evaluation.

The methods discussed in this paper are: (1) under the "etic" approach—standard monitoring and evaluation techniques, with special attention given to participation; participant observation and

beneficiary assessment; rapid rural appraisal/participatory rural appraisal; and focus groups; (2) under the "emic" approach—local planning, monitoring, and evaluation; participatory self-evaluation; visitation and peer training; and monitoring and evaluation across levels.

A number of overall observations are made about promoting participation in large-scale projects in terms of the importance of: (1) ensuring continuity of personnel to make a learning process more feasible; (2) having a network of supportive, committed persons in a variety of positions; (3) avoiding partisan political involvement; (4) attracting and retaining the right kind of community leadership; and (5) going beyond narrow conceptions of self-interest.

Implications for the World Bank are to: (1) emphasize capacity building more than achieving targets; (2) make the project cycle participatory from the start; (3) carry out design and implementation in a learning-process mode; (4) think and work in less government-centered ways—though it is noted that with appropriate bureaucratic reorientation, government agencies can play constructive roles supporting participatory development; (5) invest in building up participatory capabilities at local levels (such investments should not be regarded as "gold-plating" and indeed can have much higher benefit-cost ratios than conventional expenditures); and (6) appreciate that intended beneficiaries have more than labor and funds to contribute to project success—they have intelli-

gence, experience, and management skills to be mobilized and enlisted for the achievement of development objectives.

## Background

Although both monitoring and evaluation and "participation" started getting attention from donor agencies and developing-country governments about 15 years ago, it is still uncommon to find them combined—that is, for participation to be monitored and evaluated or for monitoring and evaluation to be carried out in a participatory mode. This paper deals with these conjunctions. There is, as yet, little experience with such monitoring and evaluation in large projects of the kind that the World Bank usually supports. Thus, we have to rely largely on general knowledge and principles concerning participatory development. Since participation pertains to *how* things are done and not just *what* is done, its monitoring and evaluation needs to be approached differently than that of other project components.

The simplest but least desirable approach is to graft the monitoring and evaluation of participation indicators onto whatever monitoring and evaluation system a project might have. It is preferable to try to make the process of monitoring and evaluation itself contribute to the strengthening of people's capacities for participation. It is presumed here that a "participatory project" is not an oxymoron, and that the World Bank is serious enough about increasing the involvement of intended beneficiaries in project planning and implementation to approve of investments being made in this process. Intentions to promote "better governance" and a more active and productive "private sector" are only rhetoric if local capabilities for self-management and self-sustainability are not strengthened.

Thus, to have participation during the life of a project but not afterwards represents a hollow success. Donor agencies and governments should want to establish processes of monitoring and evaluation that are themselves participatory, giving feedback that helps project managers move more surely and efficiently toward project goals, while providing incentives and information that encourage beneficiaries to exercise continuing responsibility. The system contribute to a learning process for managers and intended beneficiaries and should become the property of project participants for their own long-term benefit.<sup>1</sup> Because participation has costs as well as benefits, it is to

be optimized rather than maximized. This matter of costs and benefits is discussed in annex B of this paper.

## Two-Track Approach to Monitoring and Evaluation

Some time ago, anthropologists came to appreciate that "reality" has different faces and appearances depending on whether they look at it from the "inside" or from the "outside." This distinction has been analyzed in terms of "emic" and "etic" views, using a distinction made in linguistics between phonemics and phonetics.<sup>2</sup> The first represents reality as understood by those within a culture or society, while the second portrays it in "objectified" terms intended to be intelligible and comparable for persons who do not share all the assumptions and experience of those being observed.

Monitoring and evaluating participation should be undertaken from both perspectives if one wants to support the processes and potentials that participation can evoke. Each perspective—"emic" and "etic"—has its own validity. One hopes that the two will proceed along similar paths, converging more often than they diverge.

There is no reason to confine concern with participation only to decision making and then to limit it further to "influencing" decisions rather than making them—the working definition proposed for the Bank's study of how to promote popular participation.<sup>3</sup> Participating in implementation activities can give people bargaining power in decision making and more knowledge of what decisions are needed and appropriate. So it makes sense to be concerned with participation in both decision making and implementation. There is no need to take an either/or view. Also, focusing on specific activities and outcomes to which indicators can be attached concentrates attention on who is participating in what kinds of participation and how. Such distributive and qualitative concerns get lost when participation is identified with the abstract concept of "process" (Cohen and Uphoff 1980).

## "Etic" Approaches

We start our consideration with "outside" perspectives for monitoring and evaluating popular participation, expecting them to be informed by some sensibility about how social processes are

initiated and sustained, attuned to normative and psychological dynamics that animate individuals and groups. Some of the methods used will be similar to standard monitoring and evaluation approaches. I have some instructive experience on this from working with colleagues at the Agrarian Research and Training Institute in Sri Lanka to establish water-user associations in the largest and most run-down irrigation scheme in that country.

*Standard monitoring and evaluation techniques.* In order to assess the progress of our organizers in getting farmer groups established at the field-channel level (we adopted a true "bottom-up" organizing strategy, which was itself key to our success), our program kept track of two indicators that we regarded as measures of group strength and the extent of farmer participation: (1) the frequency of field-channel group meetings and (2) the proportion of field channel cleaning done by voluntary group efforts (*shramadana* campaigns). We also monitored spontaneous activities or functions undertaken by the groups as signs of organizational capability and of members' attachment to their group.<sup>4</sup> Finally, we monitored farmers' payment of operation and maintenance fees when these were introduced by the government.<sup>5</sup>

Two measures of impact that the Irrigation Department kept track of informally were: (1) the number of complaints received from farmers about water distribution (these dropped nearly to zero as adjustments were made among farmers or problems were worked out amicably with field-level staff), and (2) farmers' leaving channel gates untouched and unbroken when the water distribution schedule called for them to be closed. Before the project about 80 percent of gates were broken; afterwards this problem practically disappeared (Merrey and Murray-Rust 1991).

Two things are important to note here. First, the specific measures we monitored were very few and were selected for their appropriateness to the task and the environment. Some supplementary indicators of a more qualitative kind were important for us to appreciate the dynamics of the program but were not a substitute for the measures we could track and communicate in quite precise terms. Second, the fact that officials were also monitoring the impact and progress of the water-user association program, even if informally, helped the program to gain acceptance and then active support, since the results were positive. If the results had been negative, we would have tried

to induce them to help achieve better outcomes. What we had was a kind of "participatory monitoring" that involved engineers and technical assistants.

There are various conventional measures of project impact that reflect popular participation to some extent, to be sure, mostly in terms of implementation: the number of health clinic visits, the amount of loans taken by farmers with landholdings under a certain size, the number of acres planted with a drought-resistant high-yielding variety, and so on. These are worth monitoring and evaluating. However, they do not get at participation in decision making.

Monitoring membership in relevant organizations, attendance at meetings, and payment of dues is worthwhile, but these are very gross measures of participation. Minutes of organization meetings are hard to summarize into unidimensional conclusions, but reviewing them with some kind of checklist is possible. What one wants to see is the amount of initiative coming from members, the variety of issues raised, and the probability that problems that members identify will be solved within a reasonable length of time through group action. Such variables, even if crudely counted, aggregated and scaled, are more revealing than membership or attendance figures or collection of revenue. I would not suggest trying to refine these gross measures very much because there is a much better "emic" method for monitoring and evaluating organizational capacity (discussed below). Also, there can be some embarrassing flaws in such measures, as shown in annex C.

*Participant observation and beneficiary assessment.* Participant observation is a less standardized way for "outsiders" to assess the extent and quality of popular participation. This would include having trained observers attend organization meetings, for example, and take note of (and analyze) the group dynamics there—the range and intensity of participation in discussions, the conclusiveness of the decision-making process, and so on. More intensive and extended participant observation involves having trained observers engage with local communities and construct an understanding of their realities that can be shared with others in sophisticated, insightful ways. This methodology has been well presented in a previous study done for the World Bank (Salmen 1987).

If participant observation is used for monitoring and evaluation, persons asked to do this should

have both an experiential base and a professional commitment for such work. Adding "conversational interviews" can make the approach more structured and proactive. "Beneficiary assessment," as this refinement of the methodology is called (Salmen 1992), is being used increasingly within the Bank to acquire beneficiary evaluations of project components.

*Rapid/participatory rural appraisal.* Previously, the alternatives usually presented for monitoring and evaluation were long, large, costly studies or "quick-and-dirty" forays into the field. With the development of rapid rural appraisal techniques and philosophy, a fairly quick and clean approach has become available.<sup>6</sup> This is not a substitute for all other methods of monitoring and evaluation for participation, but it can be a useful "participatory" approach if it brings at least some senior administrators and even policy makers into contact with field realities and dynamics. The methodology can fuzz the outsider/insider distinction by co-opting some community representatives or at least field-level personnel onto the rapid rural appraisal team.

The rapid rural appraisal concept has been extended to what is now known as participatory rural appraisal (PRA; see, for example, WRI 1990 and Heaver 1991). This involves communities very deliberately and systematically in exchanging ideas, trekking transects, and drawing maps together with outside teams so that monitoring or evaluation can become more "emic" than "etic." By asking questions and seeking visual evidence, trends as well as levels can be ascertained. If rapid rural appraisals are done periodically, they can establish an understanding of whether, how, and why changes are occurring.

*Focus groups.* This represents another step along the "etic"/"emic" continuum, beyond rapid rural appraisal and a little further than participatory rural appraisal. The technique has been developed by American and European social scientists, often to test the appeals of advertising images or political slogans. It can be used for monitoring and evaluating both a project's performance and its participatory aspects. The approach is simple and involves gathering together a reasonably representative group, as much as possible a cross-section of a community, and presenting them with certain questions. Initially, the outsider is at center stage, but once the discussions get started, he

or she recedes and listens to the views expressed, intervening only to steer the conversation back to the subject if it wanders off.

This methodology differs from that of participant observation in that the outsider creates and guides a semistructured situation for eliciting opinions and evidence, while a participant-observer "takes what comes." Focus groups can be convened on short notice and can operate very informally, whereas rapid rural appraisals/participatory rural appraisals should have more systematic community involvement to be valid. With focus groups, one seeks to get an objectified assessment, thanks to group interaction based on indigenous perceptions.

A common problem that can limit the effectiveness of both rapid rural appraisal/participatory rural appraisal and focus groups is that the persons whom outsiders are most likely to see and talk with are not likely to be representative of all local people. By lengthening the time spent in the field and by taking steps to compensate for the "tarmac" and other biases that Chambers (1980) has enumerated, a cross-section of intended beneficiaries can be involved in surveys and consultations. This particular problem is not immutable.

A limitation of all of these "etic" approaches is that none is particularly concerned with or effective in developing the capacities of communities and individuals to take responsibility for improving their lives. The main reservation I have with "etic" methodologies is that they contribute relatively little to building up participatory capabilities and are essentially done to meet the needs of outsiders more than of insiders. None of these methods is oriented toward empowering people except by very indirect routes. There is no necessary continuing activity or organization that follows from conventional monitoring and evaluation, participant observation, rapid rural appraisal/participatory rural appraisal, or focus groups. However, information is elicited, and these methods do enable project managers and policy makers to reach more realistic decisions, knowing better the extent to which intended beneficiaries are actually involved in local decision making and carrying out new programs.

To the extent that local people are involved in "etic" approaches, this may encourage to them to assume responsibility, believing that their needs and also their assessments are now more appreciated by outsiders. An improvement upon usual data-gathering methods, from a participatory de-

velopment perspective, is what Fortmann (1982) calls "taking the data back to the village." Presenting the findings of outside research or evaluation to assembled villagers and inviting their responses (corrections and additions) can be valuable for the villagers as well as the outsiders, though usually the latter are more in need of local assessments of their data than local people are of what those data show. A consultative process, once started, can lead to local initiative for problem solving based on the information provided.

### *"Emic" Approaches*

The approaches discussed below are not truly "emic" methodologies because they are conceived and initiated by project personnel. But their purpose is to elicit and learn from the information and assessments that intended beneficiaries can provide within their own frames of reference. Outsiders are involved with these systems, but they belong to local people. As with etic approaches, we are dealing with a continuum of methodologies, ranging from the most common ones at present, which are utilized and controlled entirely by "outsiders," to those that would be designed and managed entirely by project beneficiaries. This paper considers methods between the two extremes.

*Local planning, monitoring and evaluation.* A project that is itself participatory will involve people in the planning and management of activities. As certain goals are agreed upon with and by local people, appropriate indicators of progress and success should be listed. These are then monitored and periodically evaluated by the people themselves, possibly with some assistance from extension agents or public health nurses. The data are shared with project managers and monitors and may be utilized in evaluations. But their main use is by the people themselves, to improve their situation in a self-managed way.

Once there is agreement on objectives and measures, local efforts are mobilized in a problem-solving mode to take corrective action if and when performance lags. A project is not a hypothesis to be "tested" under pristine laboratory conditions. If a particular technology or incentive or organizational structure is not working, it should be modified; if goals set were unrealistic, they should be changed. The systematic acquisition of information is intended to empower local people to improve their conditions.

One can anticipate that there might be a danger that innovations will not be given time to succeed, that a locally based monitoring and evaluation system will abort novel approaches before these are adequately tried. Much depends on the amount and kind of consultation that went into building up mutual understanding and rapport. Farmers, we now appreciate, are generally quite prepared to join in experimentation, monitoring, and evaluation, provided that they are engaged as partners in the enterprise (Chambers and others 1989).

The precision of data is not as important as people's participation in its acquisition and assessment, since the real goal is changing behavior toward more productive practices. While initial statistics may not be entirely correct, they should improve as the process of planning, monitoring, and evaluation continues, given the need of local people and officials to work with accurate numbers when year-to-year comparisons will be made. Data gathered in a more top-down manner for monitoring and evaluating performance are not necessarily more accurate than data that local people can generate for and by themselves.<sup>7</sup>

One example of such a monitoring and evaluation system, growing out of efforts to promote participatory planning in the irrigation sector of Sri Lanka, is described in annex D. A somewhat different system developed in Thailand to meet basic rural needs is presented in annex F. This approach stresses participatory monitoring and evaluation leading to planning and implementation of ways to improve local conditions, whereas the Sri Lanka system starts with participatory planning, using participatory monitoring and evaluation to help achieve goals. Both examples focus on problem solving, with monitoring and evaluation regarded as a means to that end. Local people are involved in identifying problems, making decisions, implementing them, and tracking and assessing outcomes. The goal is not to "monitor and evaluate participation" so much as to institutionalize and empower participatory development through the use of monitoring and evaluation information.<sup>8</sup>

*Participatory self-evaluation.* When we considered how to monitor and evaluate the organizational capabilities of the farmer groups we were establishing in Gal Oya, Sri Lanka, we realized that many important aspects could not be represented by "etic" data. So we devised a participatory monitoring and evaluation system that could

generate data for us but was principally designed to help groups monitor and evaluate their own progress and performance. Since "self-evaluation" did not translate well into village Sinhala, we called this a "self-strengthening" system, which was a more meaningful concept. This methodology, which is very simple and adaptable, is summarized in annex E.

The main goal of the process is pedagogic and is achieved through self-learning and self-teaching. But it serves monitoring and evaluation purposes at the same time. Groups are encouraged to decide on actions to strengthen their performance and capability in areas they have identified as weaknesses so they will be able to give themselves higher scores the next time they do a self-evaluation. From such data, project monitors can see in what areas improvement is most needed—for example, in conducting meetings more effectively or in keeping better track of finances. If groups have identified themselves as weak in such areas, they should be more receptive to special training which the project can provide. This methodology will not serve all monitoring and evaluation needs for assessing participation within projects, but it is most consistent with participatory project goals, and institutionalizing something like it should strengthen any project.

*Visitation and peer training.* Another kind of "emic" monitoring and evaluation is through exchanges of visits by group representatives to assess the performance of each other's groups and to learn from each other's strengths and weaknesses. This may cost somewhat more than the methodology just discussed, depending on the scale of exchange and on the style in which it is conducted. But this method is still relatively inexpensive (compared to the cost of expatriate consultant evaluators), and, important for project managers, it is simple and quick to carry out. It is a kind of "participant observation" but with an accent on the participants rather than on the observers.

Improvement in the performance of tea and rubber plantations in Sri Lanka was for many years promoted through a system of visitation by and among plantation managers. Every six months, a manager was expected to spend two weeks or so visiting other operations, individually or as part of a team. This methodology should be at least as useful for people's organizations. Grameen Bank has used this method in Bangladesh, as has World Neighbors in its Eastern Indonesia program. The

observations and suggestions of peers help the persons being visited, and visitors in turn pick up many ideas for improvement by seeing what others are doing—well or not so well.

While one can learn from bad examples, it is most valuable to get ideas of other kinds of organization, technologies, incentives, and training that are desirable as well as possible. This method provides for the "horizontal" diffusion of best practices and concepts among users, in contrast with the usual "vertical" strategies.

This method can go beyond the exchange of visits to include peer training. This requires giving the more successful participatory organizations some funds and training materials and techniques so they can teach leaders and members from less experienced or less effective organizations. I have seen farmers in Sri Lanka and Nepal return both from visits as well as from peer training full of ideas and enthusiasm to raise the level of their own performance, having seen what others like themselves were able to accomplish. This concept has been formulated by the International Irrigation Management Institute in Nepal as a specific methodology called farmer-to-farmer training (Pradhan and Yoder 1989).

Is this a form of monitoring and evaluation? Yes, in an "emic" sense, because it enables local people to evaluate their own performance against a high but relevant standard. This methodology can be usefully augmented by simple write-ups of some of the best (and worst) case experiences that group representatives and staff think would be instructive for more people to know. These should be circulated in attractive, reader-friendly form to extend what is learned from observation and study tours to rank-and-file members. This is an inexpensive activity and should be one of the most cost-effective things a project can do to promote effective participation.

*Monitoring and evaluation across levels.* Another monitoring and evaluation methodology is the provision of opportunities for local people to participate in project monitoring or evaluation sessions with officials and elected representatives at higher levels. Alternatively, the latter can come to villages for such meetings. Each venue has its advantages. It is good for higher-level personnel to see conditions at the local level. But including villagers in meetings at district centers conveys a recognition of their importance and status. So long as this does not promote "leaderitis," as the malady came to

known in Nepal's Small Farmer Development Program, it can give a boost to the development of local responsibility. A simple way to limit this potential problem is to rotate representatives who participate in higher-level monitoring and evaluation.

The best example I know of this is the quarterly evaluation meetings organized for the Small Farmer Development Program in Nepal (Joshi 1980). Representatives of the small farmer groups would meet with the group organizers who were trying to foster self-help capabilities under this Food and Agriculture Organization-supported program (later assisted on a large scale by the International Fund for Agricultural Development) and with some of their supervisors. Progress was reviewed in a systematic way, melding the perspectives of project beneficiaries and managers, each learning from the other. Through this approach to monitoring and evaluation, both group representatives and organizers (as well as their supervisors) received nonformal training on how better to approach the problems and opportunities being encountered in the field.<sup>9</sup>

### Observations about Participation

A principal conclusion to be drawn is that, for promoting popular participation, participatory methods of monitoring and evaluation are more important than monitoring and evaluation of participation per se. Since there is no way to summarize different kinds of participation into a single meaningful number and to say that only one kind represents "participation," we are best advised to take a pluralistic and pragmatic approach to monitoring and evaluation of participation.

More important than knowing *how much* participation is occurring is knowing *who* is or is not involved in different kinds of participation. Which groups are less involved in different kinds of decision making, or in different kinds of implementation, or in different kinds of benefits, or in different kinds of evaluation? Women? Youth? Ethnic minorities? Persons living in remote villages? Insecure tenants? And it is useful to know how participation is occurring. Is it being done:

- At the initiative of officials, an NGO, or the villagers themselves?
- With a monetary incentive, or voluntarily, or through coercion?
- In an organized manner or on an individual basis? Directly or indirectly?
- On a regular or ad hoc basis? Is the process continuous, intermittent, or sporadic?
- With a degree of empowerment? How much?

Information on *who* is participating in selected kinds of decisions, in specified kinds of implementation activities, in certain project benefits, and in whatever evaluation processes are provided can be included in the project management information system set up to monitor a project's progress. Such data can then be assessed in mid- and end-of-project evaluations. This is pretty straightforward. The decisions and implementation activities that are to be monitored and evaluated should always be project-specific, preferably determined in consultation with intended beneficiaries to be sure that these are meaningful decisions, activities, and benefits. The four categories of kinds of participation, however, being generic, can serve as a guide when setting up any monitoring system (Cohen and Uphoff 1977).

As much as possible, joint monitoring and evaluation activities carried out with the involvement of both intended beneficiaries and project personnel, rather than by either group alone, are desirable. The goal of most development projects is to change behavior on the part of officials and local people. In Tanzania (Pelletier 1991) and Thailand (see annex F), we have some very good examples of programs in which joint monitoring and evaluation, with primary responsibility resting with communities, has had a very positive impact. Information gave impetus to both popular participation and bureaucratic reorientation.

Government personnel started working more conscientiously and effectively once they came to know the real conditions at the village level through a systematic monitoring and evaluation system. Moreover, there was dramatic change in local people's collective and individual behavior once they knew with some precision, and in a comparative way over time and across jurisdictions, how well they were meeting basic needs. While there were material constraints and vested interests to be overcome, these proved to be more malleable than expected once local people and officials both had the same monitoring and evaluation information, collected in a way that gave everyone confidence in it and put its meaning in human terms.

Promoting and then monitoring and evaluating popular participation is a complicated but feasible process. From personal experience and from a knowledge of the literature, I would highlight a

number of conditions that appear most important for success.

There should be *continuity* of personnel involved in the program, both from the government side and from the donor agency (Narayan-Parker 1989). Having continuity of involvement from NGOs and from local communities is also important. There cannot be a very effective "learning process" without "institutional memory" to interpret observations and reflections.

It is desirable to have strong government support at high levels initially, but this is not a prerequisite so long as there is acceptance of the idea of experimentation. For this to work, there should be a *network* of supportive, committed persons in a variety of key positions, bridging departmental and sectoral lines, who will give the program a boost (or protection) when and if the need arises (Korten and Siy 1988; Uphoff 1992).

Efforts must be made to *avoid partisan politics*. This is likely to be understood by most local people, who are usually fed up with the abuses of parties and politicians. They are likely to want to keep their programs politically neutral.

It is most important to attract and retain the right kind of *community leadership* in such efforts—persons who are more other-regarding than self-aggrandizing. This may require an investment to build up organizations using special personnel (catalysts, promoters, or whatever designation may be preferred). Setting up organizations in a hasty manner by calling a meeting, approving a constitution, and electing leaders may put responsibility in the hands of self-serving persons who inspire little confidence in and cooperation from others.

A participatory approach should be conceived and implemented so that it is clearly in the interests of intended beneficiaries. Otherwise, incentives and group dynamics will defeat the effort. At the same time, participation is not simply a technical activity based only on "self-interest." It is important to foster some *sense of community and mutual interests* in order for participation to be effective and sustained (Hirschman 1984). Consequently, participatory programs need to integrate normative and social orientations into their strategies and structures (Uphoff 1992). But this is a subject for another paper.

### What Does This Mean for Bank Projects?

The concept of "project implementation" should be revised to emphasize *capacity building* more than

achieving targets. Capacity is a "moving target," not something captured well in fixed numbers or simple measures. Building local capabilities for self-management and self-reliant operation of services or productive activities should be a major goal of project design and implementation if sustainability is a criterion of success.

The project cycle should be *participatory from the start*. It is not enough to design participation into projects; the project design process itself should proceed in a participatory way. This establishes precedents and expectations that enlist support and responsibility from communities. Participatory monitoring and evaluation is then a natural consequence of such an approach.

The project design and implementation process will have to become more of a *learning process* for all concerned, getting away from "blueprint" approaches. Flexibility in budgets and schedules should be accepted as the norm. To keep money and personnel efforts from being dissipated, of course, plans should be formulated, but in a participatory way and with periodic revisions. This may be difficult because borrowing governments are usually no more accustomed to working in a participatory, flexible way than are donors. But accomplishing such a reorientation will have multiple benefits. Lessons from experience should be purposefully extracted and shared so that knowledge about design and implementation can be cumulative. A learning process does not mean that design and implementation must be ad hoc.

Project design and implementation will become relatively *less government-centered*, since nongovernmental organizations have some comparative advantage in participatory development approaches. It should not be concluded, however, that government agencies cannot work in a participatory mode. With appropriate staffing and incentives, agencies can contribute to creating participatory development capacities. Some of the Bank's efforts could go into helping government agencies make such a transition (Korten and Siy 1988).

The Bank should be prepared to *invest in participatory capabilities*. There has sometimes been reluctance to do this, graphically expressed by the Bank team member who turned down an offer to help introduce participatory irrigation management in the Major Irrigation Rehabilitation Project he was designing in Sri Lanka, with the comment that spending money on organizers would be "gold-plating" the project. The benefit-cost ratio

for using organizers was estimated at 1.5:1, far higher than the benefit-cost ratio for the project as a whole, so a participation component represented a very cost-effective investment.

Perhaps the most important change for the Bank is for its staff to accept, genuinely and fully, that intended beneficiaries have *intelligence and social*

*skills*, not just labor and funds, that can be useful for project design and implementation. The poor can even comment usefully on technical design questions, but more important, they can help to plan and carry out the management of project activities.

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## Annex A Basic Concepts of Popular Participation

Participation is to be regarded both as a means and as an end. People's taking responsibility for their own development is a better way to achieve improvements in economic and social conditions; it is more likely to be successful, more cost-effective, and more sustainable. It is also something desirable in itself because it enlarges human talents and potential, the fulfillment of which is the most basic objective of development. Project designers and managers have reason to promote participation as part of any development effort, considering its instrumental contributions, but not only these.

*Participation involves costs at the same time that it creates benefits.* This makes participation something to be optimized rather than maximized. One should try to maximize the ratio of benefits to costs rather than benefits per se regardless of cost.<sup>10</sup> Because participation entails costs as well as benefits, and since these are not necessarily shared equally or among the same persons, distributional issues should be considered as well as the respective totals of costs and benefits.

*Participation is not a single thing.* It refers to a variety of activities and outcomes. Some earlier definitions favored by economists stressed participation in *benefits* as being of most concern to development planners and evaluators. It is now appreciated that participation in *decision making* and in *implementation* as well as in *evaluation* are

important kinds of participation, in part because they contribute to greater participation in benefits, and to more and better benefits (Cohen and Uphoff 1980).

*Operating assumptions are as important as operating guidelines.* Promoting participation depends as much on philosophical orientation as on methods, structures, roles, procedures, and incentives. Does one believe that even the disadvantaged can make important contributions to their own development? Do project designers, managers, and monitors regard the poor as sources of good ideas, management capacity, and intelligent evaluation, not just as sources of labor and funds? Unless there is an *expectation* that human potential exists to be mobilized into self-managed and self-sustained development, the results of nominally participatory efforts are likely to be disappointing.

*Building people's capacity for participation over time is more important than achieving specific acts or outcomes of participation.* Effective and sustained popular participation is a result of experience, confidence, skill, and positive reinforcement. A program that takes participation seriously will be more concerned with establishing processes and realizing potentials than with "bean counting." This means that the monitoring and evaluation of participation should be linked with efforts to promote participatory development.

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## Annex B Considering Costs and Benefits of Participation

The question always arises whether the expense of a participatory approach can be justified. Since monitoring participation represents an additional cost, it will not be undertaken seriously unless participatory outcomes are themselves considered cost-effective. The stereotype of participatory ap-

proaches is that they are small-scale, intensive, and costly on a per-unit basis. But this is wrong, as many large-scale programs around the world with extensive popular participation now attest (Uphoff 1988a), though there is little systematic comparative or evaluative information on participation in

such projects.<sup>11</sup> We do know that successful initiatives do not start off with a "big bang" (and therefore end with a whimper). Rather they involve a "learning process" as analyzed by Korten (1980). The World Bank (1990) has wisely adopted this orientation for its work on participation. Contrary to usual thinking, participatory components need not be expensive and can even cost less than expected (Narayan-Parker 1989, p. viii).

As a rule, the costs of participation are weighed only against estimated benefits and not against the costs of *not* encouraging and assisting participation. Such costs include lack of use or misuse of facilities, poor maintenance, deterioration of infrastructure, or program decline. These costs can, and should, be directly attributed to the lack of investment in what could be considered the "software" of development projects—the social infrastructure that gives project beneficiaries a voice and a hand in design and management. Similar costs can be attributed to project participation provisions that are nominal or superficial and not seriously implemented.<sup>12</sup>

When the complaint is made that "participation does not work," most often participation has not been seriously tried. While there are some conditions under which participatory approaches are unlikely to be successful, most failures are unfairly blamed on the beneficiaries, when in fact officials are more responsible for shortcomings in design and implementation.

The returns to investment in participation, genuinely conceived and seriously carried out, can be high. Benefit-cost calculations for the participatory components of irrigation projects in the Philippines and Sri Lanka found ratios of 1.5:1, well above that of most development investments (de los Reyes and Jopillo 1986; Wijyaratna 1985). An evaluation of the Sri Lanka project calculated an overall internal rate of return of 24 percent (ARTI 1986). About half of the project's benefits were attributable to its participatory component, which required less than 10 percent of total project cost.<sup>13</sup>

How was this assessment reached? The economic benefits of the project depended primarily on water-use efficiency, which enabled farmers to increase their cropping intensity and thereby raise production. (There were some increases in yield resulting from better and more reliable water supply, but these were less important.) In the first two years of the project, when only about 10 percent of

the command area had been physically rehabilitated, farmer organizations were able to practically double water-use efficiency where participatory "software" had been introduced. Also, once the "hardware" improvements had been installed, farmers with the new sense of discipline engendered by their organization did not damage structures and cooperated with the new management.

The estimate that half of project benefits could be attributed to the farmer participation component derives from the observation that system performance gains depended as much on the "software" as on the "hardware," an assessment shared by engineers operating the system (Merrey and Murray-Rust 1991). Only a small part of total project cost went for "software," however. Returns from investment in participation can thus be substantial and can emerge fairly quickly, even within large projects. In the Gal Oya project, cooperation among farmers and with officials was catalyzed within a few months despite a 30-year legacy of conflict and noncooperation (Uphoff 1987 and 1992). But this is possible only if the approach is well-conceived and seriously implemented. The record among donor agencies and developing-country governments in this regard is not very good.

Promoting effective and sustainable participation requires some investment in the process. Attitudes, skills, and behavior need to be changed as much (or more) on the side of officials and technicians as on the side of intended beneficiaries. One cannot just wish away a history in which the people know that they have not been taken seriously. One should not expect people to invest their own time and effort in establishing new patterns of performance unless there is evidence of a new start from above or outside.

There is not likely to be much participation monitoring or evaluating unless some systematic and innovative efforts are made by donors and governments alike, perhaps involving NGOs. A system of monitoring and evaluation should get people involved in assessing their participation and the costs and benefits thereof, not just generating information for project managers. Such a system of giving feedback for self-correction of programmatic efforts is essential for sound implementation. The costs of such monitoring and evaluation should not be considered as an extra or additional expense.

### Annex C Pitfalls in Evaluating Participation: Sri Lankan Example

One problem with "objective" measures of organizational capacity is that they remain somewhat ambiguous. Moreover, they can be misleading, as we discovered to our chagrin in Sri Lanka. The end-of-project evaluation (ISTI 1985) concluded that farmer organizations had been well established in Gal Oya and were functioning effectively. However, it said that organizational capacity was *declining*. When we started our program, we collected data particularly on two things: the frequency of field-channel group meetings, and channel maintenance work done by voluntary group labor (called *shramadana* in much of South Asia). The number of field-channel groups meeting at least monthly had declined from about 80 percent to about 50 percent in the past two years, and there was a similar drop in the proportion of channels being cleaned by *shramadana*.

Both farmers and organizers rejected the evaluation's conclusion. They felt that their organizations were quite strong by 1985 and that field channels had never been so well cleaned as before the 1985 season (when cleaning was estimated at 95 percent within the project area, compared with 20 to 30 percent before the project). Before the season, the top administrative officer for the district had ordered all farmers to clean their channels, threatening punitive action against any laggards. The evaluation team attributed the thorough channel maintenance to his show of "administrative will."

The evaluation team acknowledged that the organizations were working well by all accounts, even if their performance was declining according to objective measures. Our inquiries with farmers found that they felt the field-channel groups did not need to meet regularly on a formal basis, since they all saw each other almost daily along the channel and their group efforts during the first few years of the program had resolved most of their problems at the tertiary level. Channel cleaning and water rotation had been routinized, and any disagreements were settled informally and usually easily.

The focus of farmer participation efforts had shifted upward to organizations at the irrigation system's primary and secondary levels. Here, meetings were regular and effective. So a decline in the formal functioning of tertiary-level organizations did not reflect how well the organizational system as a whole was performing. We had not

introduced comparable monitoring for these higher levels, nor had we discounted the importance of our earlier indicators, which were no longer appropriate under the evolving conditions of farmer participation in Gal Oya. So the evaluation team was critiquing us by our own criteria.

When we started organizing farmers in Gal Oya, with channels 30 to 80 percent silted up, it was foolish to think that these structures could be cleaned by asking each individual farmer to clean an assigned proportional length of channel, which was what the law at the time provided. Head-enders had no incentive to clean their lengths, because doing so permitted water to flow downstream to others. Tail-enders would not clean their lengths because they did not believe head-enders would maintain their part of the channel, so there would not be enough water supply to justify the effort.

Organizers had to get all farmers to agree to come out on some agreed days and clean the whole channel all together at one time. In traditional villages (Gal Oya was a settlement scheme with families moved in from all over the island), the institution of *shramadana* (donation of labor) was usually mobilized to achieve pragmatic purposes like channel maintenance, with social reinforcement and religious sanction provided. Organizers encouraged revival of this institution as a technique for building up better personal relations among farmers and as a springboard for launching the new organizations.<sup>14</sup>

Once channels had been restored to their original condition, much less work was involved in cleaning them satisfactorily before each season. Also, the organizations put social pressure on anyone who did not comply. As long as everyone could be sure that others would clean their respective lengths of channel, it was more convenient for most farmers to do maintenance on a length-by-length individual basis rather than by *shramadana*. (Actually, in 1985, half the field channels were still being cleaned by the *shramadana* method, showing a welcome degree of social solidarity.)

What the evaluation team did not know was that the farmer organizations themselves had asked the district's administrative officer to issue his threat, to strengthen their hand in dealing with any neighbors who might be uncooperative. The farmer organizations and organizers put up posters and distributed flyers announcing the ultima-

tum, so what looked like bureaucratic fiat was actually instigated and implemented through participatory channels. (Actually, for the individualistic approach to work successfully, there had to be a fairly high degree of solidarity behind it.)

This experience with end-of-project evaluation taught us a lesson from which we hope others will also benefit, so as not to get hoisted by their own petard-like indicators. Something like popular participation, which evolves over time, should legiti-

mately change at least some of its measures over time, adding, subtracting, or revising them. Certainly, managers and evaluators should reconsider what their indicators mean in terms of progress and performance. This goes against important canons of evaluation, but this case study gives good reason for approaching monitoring and evaluation for popular participation differently than for goals like adoption of high-yielding varieties or improved public sanitation.

#### Annex D A Participatory Planning, Monitoring, and Evaluation System to Improve Irrigated Agriculture in Sri Lanka

In Sri Lanka, with a multitiered system of farmer organization now established, the government is promoting bottom-up agricultural planning (Ariyaratne 1991). Previously, the Irrigation Management Division had had a very complex monitoring system that generated long reports four times each growing season from each major irrigation scheme in the country. Having been a consultant helping devise a monitoring and evaluation system that would be more useful and more participatory, I know that these reports were hardly used to improve management decisions. They just accumulated in Colombo after the extraction of a few of the most basic data (area planted, date of first water issue, and so on). In fact, most of the data were so incomplete or spurious that little use could be made of them.<sup>15</sup>

The approach recommended (Uphoff 1989a) was the first to simplify the system, identifying and working on just three major goals for improving irrigation and irrigated agriculture: *efficiency* of water use, *productivity* of resource inputs, and *profitability* of farming operations.<sup>16</sup> These could be measured in gross terms by some simple summary numbers:

- Efficiency = area irrigated with given volume of water (cropping intensity).
- Productivity = total production from the area (in metric tons or other units; this was difficult to aggregate but possible with farmer cooperation).
- Profitability = net farmer income in rupees (income from irrigated agriculture minus costs of production; to be estimated from a number of representative farms).

How well these goals are met can be assessed in *per unit area* terms, requiring more data:

- Efficiency = total seasonal water issues in cubic meters per hectare.
- Productivity = yields per acre by crop (measured at end of season).
- Profitability = net income in rupees per acre, by crop and average.

According to the system recommended, each field-channel group estimates efficiency, productivity, and profitability for its command area for each crop season, distinguishing between rainy and dry seasons. Before a season, targets are to be agreed on, and plans for reaching these will be formulated in very simple documents, based on discussion among farmers and reflecting their assessments and hopes. Group plans are passed on to the Distributary Canal Organization (DCO) made up of representatives of all the field channels served by this D-canal. These plans are reviewed and compiled into a plan for the D-canal area, and all DCO plans are passed on to the project level.

There, a project committee made up of farmer representatives and officials (with a farmer majority and farmer chairman) puts these plans together into a plan for the whole irrigation system. Officials from various departments (agricultural extension, bank credit, crop insurance, and others) work with the farmer organizations at the different levels as needed in preparing the plans. Where goals have to be changed because of constraints that the officials understand (and can do nothing about), there are revisions downwards. Officials

undertake to provide the necessary inputs that are agreed upon.

At the end of each season, the process is repeated, but in an evaluation mode. The field-channel groups figure their respective performances in terms of efficiency, productivity, and profitability. They consider where they may have fallen short of their objectives (or surpassed them), and why. Field-channel evaluations are shared with the Distributary Canal Organization, which does an evaluation for the larger command area that subsumes all the field channels it serves. Then DCO evaluations are combined into a project-level evaluation for the season. Relevant officials help evaluate the reasons for success or for shortcomings.

When plans are formulated and targets set, field-channel groups as well as DCOs and Project Committees in turn decide what *initiatives or innovations* they think will help them reach their goals for the season. Rather than monitor dozens of variables, as they did previously, the groups limit seasonal monitoring to those activities expected to *help achieve targets*—for example, strict rotation of water to increase its efficient use, better crop surveillance to have early warning of pest or disease attacks and raise productivity, or group marketing to cut transportation costs and increase profitability. Of the major goals, the only one monitored during the season is efficiency (water issues, week by week). Monitoring serves the limited but focused purpose of ensuring that innovative efforts by farmers and/or officials are in fact carried out in order to be able to evaluate subsequently whether the effort was worthwhile. Monitoring during a season and evaluation at the end of it thus is built into the planning process.

The hardest data to get, but ultimately the most important, concern profitability. Getting these requires farmer cooperation. As part of the monitoring and evaluation system, farmers are taught to maintain records of the amount and cost of inputs used so as to be able (initially with some assistance) to do farm management analyses. While this information, suitably protected for anonymity where desired, is of value to project managers, it should and indeed must be of value in the first instance *to the farmers themselves*. The purpose is not so much to generate data for evaluating a donor or government investment, but to help rural families become more prosperous. In the spirit of such cooperation, the data generated are made available for planning, monitoring, and evaluation purposes, which benefit all farmers directly, and officials indirectly, by assuring them more success within their area of responsibility.

Not all farmers need to participate in such an exercise for it to succeed. If initially just a few are prepared to cooperate, their data provide a benchmark for their area. If other farmers consider such figures unrepresentative, they can make the numbers more accurate by participating in this record-keeping and profitability-assessment exercise. The forms used for recording data need to be worked on and improved *with farmers* in order to be as practical and intelligible as possible. These are to be *farmers' records*. Their contribution to monitoring and evaluation is a by-product, however deliberate, of an effort to increase farmer participation in planning (decision making), management (implementation), benefits, and evaluation.

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## Annex E A Participatory Self-Evaluation Methodology

The process begins with project managers identifying a number of aspects of organizational capability and performance that they hope to see achieved through the project and with popular participation. Desirable kinds of performance and capacities are expressed in the standard format presented below. The items are put into simple vernacular and pretested with some of the more interested beneficiary groups to ascertain how the items are received and perceived. Wordings and presentation are revised with these groups' advice.

Then the set of suggested items for self-evaluation is discussed with the groups one by one, through appropriately trained project staff. The group is invited to review the items and decide which it wants to include in its self-evaluation. Our experience is that most items are readily accepted if there has been genuine consultation with representative local people in developing the system. That groups can reject or reword any item signals to them that the system is theirs.<sup>17</sup> Groups should be encouraged to undertake such self-

evaluation annually, at a regular time each year, but a group can decide to do more or fewer evaluations.

The process itself engages the members in discussing each of the items they have selected and seeking consensus on which statement of a set of four best describes some aspect of their group's performance or capabilities. For example, concerning group meetings, which is most correct?

- Our group meetings are *always* very productive; time is well spent; decisions are clearly made and followed up. (3 points)
- Our group meetings are *usually* reasonably productive. (2 points)
- Our group meetings are *sometimes* productive. (1 point)
- Our group meetings are *never* productive. (zero)

Or concerning communication within the group:

- *All* members are always kept informed about plans, programs, etc. (3 points)
- *Most* members are usually kept informed. (2 points)
- *Some* members are generally kept informed. (1 point)
- As a rule, *no* members are kept informed. (zero)

Task-oriented performance can be evaluated by such a method as well. For example, groups producing handicrafts can be asked to choose which applies:

- The group is carrying out *regular and rigorous quality control*. (3 points)
- The group is *increasing* its consciousness of the need for quality control and is making provisions for it. (2 points)
- The group is *becoming aware* of the need for quality control. (1 point)
- There is *no consideration* of quality control. (zero)

The points assigned to the different alternatives are meant to facilitate recording and communicating what the group agrees. The numbers are less important than the *discussion* required to reach consensus. This legitimates members' raising shortcomings for all to consider. Indeed, helping to present an accurate picture of the group's situation is a service to the whole. If some persons have not been kept informed, the group only gives itself two points this year, but it knows how to

justifiably get three points next year by making sure the members overlooked at present become informed. If meetings are not well run, group attention is focused on how to make them more productive. My favorite question is:

- *Most* members are ready, willing, and able to assume positions of leadership in the group. (3 points)
- *More than a few* members are ready, willing, and able to assume positions of leadership. (2 points)
- *Only one or two* members are ready, willing, and able to be leaders. (1 point)
- *Nobody* is ready, willing, or able to assume leadership. (zero)

The first point in each set describes a most satisfactory situation, with little or no room for improvement. The second describes a satisfactory situation but with possibilities for doing better. The third characterizes an unsatisfactory situation with definite room for improvement. The last presents a very unsatisfactory, even disastrous situation.

One hopes that groups seldom have to conclude that the fourth statement best describes them, but this is possible. The first will seldom be fully justified and unanimously accepted. When either the second or third statement is considered correct, this automatically raises in people's minds why they are short of the ideal and what could be done to move toward it.

A great variety of capabilities and performances can be assessed by this means, converting a range of qualitatively different possibilities into standardized ordinal statements that approximate quantitative measurement. This methodology is simple enough that a group need have only one literate member to make it work (or a sympathetic outsider could assist in this process once a year). Each item is reproduced, in local language, on one side of a three-by-five-inch card, to be read the same way each time, with the agreed answer then recorded on the back. The answers given can be copied later for the information of project managers and monitors, but the cards remain with the group as their own record. More details of this self-evaluation methodology are given in Uphoff (1988a, 1989a, and 1991). For another self-evaluation methodology used with women's domestic water user groups in Indonesia, see Narayan-Parker (1989, pp. 22-24).

## Annex F The Khorat Rural Development Approach in Thailand

While Thailand has registered satisfactory economic growth overall, there has been dissatisfaction with persistent income disparities, maldistribution of basic social services, and social blights such as pollution, increasing crime rate, and degradation of culture and morale, even in rural communities. Ten years ago, Suwai Pramanee, at the time governor of Khorat Province (and later deputy secretary of the Ministry of Home Affairs), decided to promote a more broad-based development within his area of responsibility and established a system of organization that reached down to the village and subvillage (cluster or group) levels. The results were impressive enough to be adopted by the National Economic and Social Development Board as an example for the country's rural development program, and United Nations Development Program (UNDP) provided technical assistance for extending it.

The process began by "reorienting" government officials, first at the provincial level, then working down through the district (*amphoe*) to the locality (*tambon*) level. Officers were expected to stop acting as "donors" that are benefits to a passive, receiving community. They were to learn how to work with rural people in a participatory mode and also how to work with each other on an interministry, collaborative basis. Various meetings, conferences, and seminars were held at the provincial level at the governor's instigation until provincial officials were ready to serve as the trainers of their district-level staff, who in turn became trainers of their tambon-level field staff from the Departments of Agriculture, Community Development, Education, and Health. This staff was constituted as the working group for community development at the tambon level. Each working group was responsible for about 10 villages and was expected to begin work in a single "pilot" village, expanding gradually to the other communities, all the time working with the tambon council (the main institution of local government). Village councils were also formed, made up of the village headman and elected representatives from within the village.

In the initial period, villagers were consulted on what they considered to be their "basic needs." Eventually, a list of 52 such needs, stated in simple village Thai, was agreed upon. These were to be monitored/evaluated annually. The needs were expressed in such statements as: young people are

all going to school. Those who leave school are employed. Home gardens are secure from theft. Village streets are neat and clean. People are free from illness. The item which I particularly like, perhaps because my wife is a pediatrician, is that newborns should weigh at least 3,000 grams at birth to have a good start in life.

Within each village, clusters of 10 to 15 households were formed to take stock of their development needs, problems, and capabilities. Annually, these small groups surveyed, with the help of the working group, the extent to which their "basic needs" were being met within their cluster. The data gathered were reported to the village council, which aggregated them into a village monitoring report. This served as a basis for the village council with its cluster representatives to develop an annual plan of action. Most of the things that affected their lives were areas in which they could make some improvement quickly through their own efforts, like increasing school attendance or protecting home gardens.

The data from each village were forwarded to the tambon level, where they were compiled and assessed by the tambon council, to formulate a plan of action with the assistance of the working group. These officials took a keener interest in what was happening in their area now that they knew its problems and potentials in some detail, were assured of local cooperation with efforts to make improvements, and knew there would be evidence of improvements (or the lack thereof). While the data gathering was not perfect, it has improved year to year and has provided a persistent stimulus for development efforts at all levels.

Information from all the tambons in a district went to the district administrator, and then all information from districts went to the provincial level. The fact that higher-level decision makers had more extensive and detailed information prompted them to make better use of the resources available. They could target efforts at exact locations of greatest need. If villagers exaggerated their problems to attract resources, such deception could not be continued, because too many people knew the exact circumstances.

Villagers were asked to classify problems they identified into one of three categories: (1) solvable by the people themselves, (2) solvable with government assistance, and (3) solvable only by the government. Cluster, village, and tambon groups

dealt with the first category. They sought the help of local officials for the second. And both group representatives and officials took problems of the third category to the district or province. That villagers and field staff had done as much as they could on lower-level problems created pressure on higher officials to deliver on bigger problems.

The Thai bureaucracy has been much criticized for poor performance at local levels, but with this approach, bureaucrats became more energetic and enthusiastic. This was partly because they had better channels to work with and through, and partly because they were now more aware of the problems and deficiencies at local levels. Also they developed closer personal links with villagers, which motivated them to make further improvements.

Villagers' behavior was also affected. For example, when the birth of a baby weighing less than 3,000 grams became a matter of public information and reflected badly on the community,

neighbors started taking an interest in pregnant women and their maternal nutrition. Considerable improvement could be made in this area by getting the community to take responsibility, rather than looking to a government program to solve this problem. Public health nurses also started taking their responsibility to weigh newborns more seriously once the measurement was expected to be publicly reviewed. (Information adapted from Uphoff 1986: pp. 348-50.)

The Iringa program in Tanzania reported by Pelletier (1991) has a number of similarities, although it focuses on just maternal and child nutrition. It is based on small clusters of households at the base. Information is regularly gathered and reported upwards after being assessed locally. Most of the remedies for problems are found by local action, but there is support from higher levels of government and the party.

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## Notes

1. This is a very cursory commentary on goals and principles for participation. Some basic understandings about participation that have emerged over the past 15 years are summarized in annex A. Participation is not just a means for achieving "better" development, so more than efficiency criteria are relevant. There are some intrinsic values associated with participation, so it deserves attention in its own right. Yet it is more appropriate to optimize participation than to maximize it.

2. This distinction is debated and elaborated in Headland and others (1990).

3. For purposes of the Bank-wide learning exercise, we propose to define popular participation as the process by which people, especially disadvantaged people, influence decisions that affect them.... 'Participation' means influence on development decisions, not simply involvement in the implementation or benefits of a development activity, though those types of involvement are important and often encouraged by opportunities for influence." (World Bank 1991, paragraphs 3-4).

4. Examples included: savings and loan schemes to get out of debt to private moneylenders; revolving funds to enable farmers to spray immediately against pest attacks; group marketing and transportation; invitations to extension agents to work with water user associations as a more effective alternative to training and visitation methods.

5. Gal Oya farmers had the highest payment rate in the country the first year the fee was introduced. This reflected their improved working relations with government officials and the direct links that the organizations established with practically every farmer in the scheme. The government also promised that farmers would have a voice in how the funds were spent (something the Irrigation Department balked at). When these conditions were not fulfilled, payment dropped more toward the national average.

6. The notes on rapid rural appraisal published by the International Institute for Environment and Development (3 Endsleigh Street, London, WC1H 0DD, U.K.) are a gold mine of techniques for making good use of short visits into rural areas.

7. Conventional reporting procedures in the North Arcot district of Tamil Nadu state in India produced official figures for the area planted to high-yielding varieties that were three times the actual extent (Farmer and others, 1977: 96). Officials without any farmer participation (as a reality check) reported each year that planting targets had been fulfilled and set higher targets the next year, having a perverse incentive to do so, because then more fertilizer would be allocated for their area.

8. In his book on managing rural development in East Africa, Chambers (1986) describes a "management

by objective" system that is similarly participatory for government staff, all the way down to the field level. While this might not be "popular participation," it is important and worth promoting, since if participation is good for intended beneficiaries, it is also strengthening and motivating for the personnel who can help achieve development goals. Field staff have experience, ideas, and capabilities that are seldom fully utilized.

9. One rule was that the first day of the meeting for monitoring and evaluation be devoted to identifying and discussing *problems*, seeking ideas for solving these. On the second day, people could report on *progress*. This signaled a willingness (even eagerness) on the part of program supervisors to hear any "bad news" about the program. Self-congratulation was delayed until everyone had engaged in purposeful self-criticism. Conveying a self-critical approach to program implementation was one of the keys to the success of the Small Farmer Development Program in Nepal (International Fund for Agricultural Development 1984).

10. That farmers assess the desirability of their participation in irrigation management in such a manner is seen from the data in Uphoff, Wickramasinghe, and Wijayaratna (1990). Water users favor more participation where the supply of water is neither very scarce nor relatively abundant—that is, when there is the greatest probability of attaining benefits relative to costs.

11. An exception is the study by Finsterbusch and Van Wicklin (1989).

12. A good example of spurious plans for popular participation and then indifferent implementation, with predictably poor results and huge sums of money wasted until more genuine participation was provided for, is presented in my discussion of a World Bank project in northern Ghana (in Cernea 1985, pp. 362-73).

13. The official evaluation of this project, which rehabilitated an area of 25,000 hectares, calculated a 47 percent rate of return (ISTI 1985), surely overstated. Evaluations of two smaller irrigation-improvement efforts in Sri Lanka, which invested mostly in the "software" to promote increased farmer participation, showed internal rates of return of 77 percent and 83 percent (Aluwihare and Kikuchi 1990, pp. 19-22).

14. Our strategy was to "work first and organize second," rather than the usual reverse order, because the latter had been usually unsuccessful in rural Sri Lanka. Our social organizing methodology identified and brought forward leadership for improving irrigation management that was more community-minded and less self-aggrandizing than the usual type that had dominated rural organizations previously; we found leaders who were more like "rice plants" than "weeds" (Uphoff 1992, pp. 197-200).

15. The data reported for Gal Oya Left Bank, an area exceeding 25,000 hectares, were "precise" down to tenths of a hectare. They reported that exactly as much area was harvested as was sown. Figures given on the areas cultivated by tractor, by buffalo, and by hand added up to the total area even to a tenth of a hectare. Such numbers, assembled from the top down, could hardly have been accurate. Invariably, no problems affecting the season's production were mentioned. Project managers who had to compile the reports privately conceded that they did not report any shortcomings because they did not want to spoil their working relations with colleagues in other government departments. They did not have to worry about wrong numbers being taken seriously because no real use was made of these monitoring reports anyway.

16. This third criterion of system performance had never been monitored or considered, though it is the outcome of most concern to farmers. This represents the financial rate of return on resources invested in irrigated agriculture, and in aggregate terms, it constitutes the value added from farmers' economic activity, and thus their contribution to national product as well as to their families' well-being and security.

17. Eighty-seven sample items for group self-evaluation are presented in Uphoff (1989a), covering a wide range of organizational performance and capability. A project might offer as many as 30 items, expecting groups to choose 15 to 20 of them. The self-evaluation process should not take more than three to four hours a year.

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***Part IV. Summary Record of  
Small Group Sessions***

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# 16

## *Capacity Building and Consultation*

*Smita Lahiri*

This report presents the major points raised during the first day's discussion of capacity building and consultation in group 1. In many cases the original phrasing of a remark has been retained for accuracy and piquancy.

### **Issues of Capacity Building and Popular Participation**

In response to the failure of many of its projects, the Bank is now compelled to examine its development methodology, with a view toward greater ownership by recipient countries, better project quality, and genuine participation. In the past, the Bank equated development with financed growth plus technological inputs, neglecting the social dynamics of change; this limited perspective doomed many projects. What factors now need to be taken into account? The discussion of this question took three directions, summarized as follows:

- Avoidance or indifference on the part of the affected population is in many cases the only strategy open to people with no power over a decision-making process that affects them. Development must be reconceptualized, not as a final product or goal, but as a *process* that people are part of.

- Any definition of "participation" is not merely semantic but political, for it posits rights and responsibilities between people and governments. The Bank must accept responsibility for its role as

an intervener in political processes and create channels through which it is accountable to the people it affects.

- These imperatives are put forth in full awareness of the Bank's nature as a highly technocratic, top-down institution with strong ideas about what constitutes development and how to achieve it. A technocratic lens frequently obscures the deeper processes of development, which revolve around the creation and sustenance of subjective well-being.

These three directions are expanded upon below.

### **Participation in a Process versus Consultation about a Product**

The conditions for participation were identified as communication between Bank program designers and the affected people, inclusion of disadvantaged groups, understanding of a cultural context, and promotion of local institutions and grass-roots movements. Among the group's specific recommendations were the following:

- *Amass local knowledge.* Development planning has tended to strengthen structural inequities (for example, between elites and the disenfranchised) rather than eradicate them. To prevent its programs from having this regressive impact, the Bank needs to conduct more comprehensive sectoral

studies of its target areas before program implementation begins.

- *Pay attention to women and disadvantaged groups.* If an understanding of a given cultural context is required for ensuring community participation in a program, such understanding is indispensable when the target group is a disadvantaged subgroup of that community. Some participants felt that measures to ensure the participation of women, indigenous people, and the poorest should be made an explicit focus during the design phase of every program and should, furthermore, be a condition for borrowing governments.

Others voiced concern that this action would enforce a specious distinction between the poverty faced by women as members of an impoverished community and as a result of gender discrimination. In practice, the two are linked; furthermore, poverty reduction and development in general require the mobilization of both men and women. The same factors that exclude women from Bank-financed projects keep those projects from being, in a wider sense, participatory.

The group agreed that economic and sector work and implementation, planning, and evaluation processes need to be sensitive to gender issues. Women constitute 50 percent (or more) of the people, and it is this basic demographic fact that demands involvement of women in participatory projects. Participation cannot by nature "trickle down." Even an increase in average incomes—or the income of every family in a community—does not necessarily substitute for the human capacity building that results from direct involvement of women in decisions that affect them. Men are not proxies for women in the participatory development process, regardless of the economic outcome.

- *Solicit early feedback.* Popular response to any program should be invited well before the program reaches its final design stages. Otherwise, the invitation will be an empty gesture; the time and money already invested will effectively preclude the possibility of substantive program revision.

- *Consultation is not participation.* Strong challenges were voiced to the Bank's definition of participation. Participation cannot be viewed as mere consultation, however early in the project cycle it begins or however earnestly it is conducted.

- *Follow grass-roots movements.* The debate over participatory issues owes its liveliness to frustra-

tion with the role of the state; this was highlighted in Michael Cernea's presentation (chapter 12). The answers to structural problems of oppression and inequity cannot be sought merely in social engineering from without but must arise from local initiatives in order to be legitimate. The Bank's technocratic perspective often results in the overlooking of such initiatives, which should instead be researched and assisted where appropriate. This could possibly be done through collaboration with NGOs, whose proximity to the field puts them closer to grass-roots movements.

- *Use local government mechanisms.* Many participants felt that decentralizing project implementation leads to a higher level of participation. Channeling programs through community-based government institutions will improve the sustainability of both the institution and the program.

- *Develop human resources.* Provisions for providing substantial training and promoting management skills must be incorporated into any initiative that seeks to empower women or disadvantaged groups, to scale up a grass-roots movement, or to strengthen local government.

In summary, the group agreed that the Bank should invest money and time in helping lower-level institutions become more participatory. Participation should be acknowledged as a political process, one aim of which must be the empowerment of disadvantaged groups, particularly women. Further, the Bank must create mechanisms to accommodate popular feedback in project design.

### Assuming Responsibility for Promoting Participation

Some participants felt that the Bank should put pressure on member governments to set participatory priorities. Others voiced uneasiness at the very power of the Bank and called on it to recognize its responsibility not simply to member governments, but to the citizens under the jurisdiction of those governments. A number of necessary measures were discussed:

- *The "right" to be consulted.* By upholding the principle that people are entitled to influence decisions that affect them, the Bank seems to be actively involved in promoting a liberal, democratic polity. Is it comfortable with this goal, or does this brush up against "charter ideology" and the Bank's

intergovernmental role? The question was also put differently: How much can or should the Bank compel a government to act against its will?

- *Building credibility.* The first imperative facing the Bank is the need to build trust and credibility among the people and institutions it affects. This will require humility, an eagerness to engage in dialogue, and the promotion of actors other than the state who can function as counterparts in such a dialogue.

- *Asserting an identity.* As a heavily centralized institution employing 8,000 individuals and representing 163 member governments, the Bank is not a body with which nongovernmental organizations (NGOs) and participatory grass-roots movements can easily enter into dialogue. The Bank needs to increase its field presence or create channels of communication so that actors at the field level have somebody to address.

- *Relinquishing the apolitical stance.* The Bank likes to see itself as an apolitical organization, but it should acknowledge that NGOs and community leaders associated with Bank-supported projects frequently come under political pressure from their governments. It must also recognize that the promotion of a participatory ideal can lead to internal strife and conflict between member governments and citizens. A commitment to participation brings the Bank a concomitant responsibility to play an advocacy role for the people placed at risk in these conflicts, on the platform of international human rights.

- *Internal checks and balances.* On a more general level, some participants felt that, in order to regulate its own lobbying power over governments and to prevent the misuse of that power, the Bank should consider adopting United Nations norms or design its own internal covenants.

### Overcoming Internal Bank Constraints

The participants were concerned that the evident good intentions and enthusiasm demonstrated by Bank staff for participatory issues might dissipate rapidly when confronted with the Bank's traditionally hard-nosed approach. The following positive parameters for implementing and monitoring participatory projects were suggested to the Bank-wide learning group on participatory development:

- *Make devolution of decision making a priority.* The Bank already subscribes to split-level development, in which the details of program imple-

mentation are decided by member governments, while structural decisions about fund allocation are made by the Bank. An emphasis on devolving control over implementation to the local level must now be made explicit; simultaneously, the Bank must share control over structural decision making with governments and people.

- *Incorporate participatory elements into project design.* Capacity building should become a focus at both the government and the Bank level. Project design procedures should be scrutinized and revamped from the following standpoints: building up the capacity of intermediaries between projects and people, stipulating participatory emphasis at the time of government clearance, developing an atmosphere to encourage and legitimize non-traditional development initiatives requiring low funding, promoting interagency cooperation, and facilitating the exchange of information between large donors, NGOs, and people.

- *Allocate time and money to participation early in the project cycle.* Acquiring adequate information about the locale of any prospective project is of the first importance; this process can itself be a vehicle for participation if it is done well before the project-approval stage. Sectoral analysis teams should be made independent and collaborative and should include academics and NGO representatives. Significant attention should be devoted to studying the kind of gender-sensitive participation to be elicited by any project, as well as the prospective impact of the program on disadvantaged groups and the environment.

### Conclusion

The group took time to settle down. The participants spent the first 45 minutes resolving confusion about the role of the assigned questions (which were eventually rejected as unhelpful in beginning the discussion) and venting some disgruntlement about the workshop's overdetermined structure. The meaning of popular discussion was discussed at length, as was the issue of gender-sensitive participation.

Much of the debate over encouraging women's participation referred back to more general points made about grass-roots capacity building and the importance of sensitivity to local culture and of comprehensive information gathering. For this reason, I have not reported the points made about gender issues separately but have incorporated them into this record where appropriate.

The group was evenly divided between those of an academic bent, who kept returning to the philosophical issues at stake, and those more pragmatically inclined, who were anxious to formulate specific recommendations. Discussion tended to break down over the meta-issues (who was being

too specific or too vague) and was thus sometimes disjointed. For these reasons, I may have taken something of a liberty in creating the structure under which I have presented the proceedings; if so, I apologize and may be referred to for comment or clarification.

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# 17

## *Institutional Processes*

*Rumana Huque and Warren Van Wicklin*

### **Government and the Bank's Role**

*Rumana Huque*

The group considered how the World Bank can encourage governments to be more participatory and how governments can work with nongovernmental organizations (NGOs) more effectively to achieve this end. The approach the group decided to take was to first lay out an ideal vision of what would characterize a government that is participatory. It then made recommendations on what the Bank should do to achieve this goal.

The vision that emerged of a participatory government is of one that:

- Recognizes and provides basic human rights
- Supports the plurality of organizations (political groups, NGOs, unions, private sector groups, and so on) and allows freedom of speech
- Is accountable
- Is open with information (especially about development schemes undertaken in the name of the people)
- Enforces the rule of law
- Is open to a two-way dialogue with citizens.

These characteristics describe a government that is democratic and that responds to the needs of the people—that is, a government that exhibits good governance. Although participation is critically important to achieving good governance, the

Bank's role in this arena is being debated. Therefore, the group went beyond the issue of governance per se and examined what people hope to gain from having a democratic and participatory government.

Ultimately, the aim of having a voice in a government that is accountable is to ensure that the government provides for the needs of the people in an efficient, equitable, and responsive manner. Without going into the issue of governance, there are ways for the Bank to ensure that governments, in implementing Bank-financed projects, are more client-oriented and more responsive to the needs of the people.

### *Setting the Background*

Generating commitment to participation requires an alteration in the mind-set of people, a profound change in attitudes and values.<sup>1</sup> To entertain the notion that people (in this case, government staff) can be taught or persuaded to be sympathetic to participation is both unrealistic and impractical. It is also important to remember that participation can be threatening where it involves empowering people with tools that enable them to make demands of a government and to seek retribution when the government fails to deliver.

Thus, instead of promoting participation to governments as an end in itself, the Bank might do better to present participation as a means of mak-

ing development investments more effective. Once it has been shown that involving people in projects has a positive impact, the belief in participation may come about as a natural process. Values often follow actions, and what the Bank should concentrate on is proving through its actions that participation works.

A recurring theme, both within the group and within the workshop discussions as a whole, was the need to include people's organizations in the policy dialogue with governments. There needs to be a three-way process of consultation, involving the Bank, governments, and NGOs/people's organizations. Group members felt that this process lays the foundation for any participation work in which the Bank engages.

Governments can respond to people only when people articulate their demands; people can make legitimate demands on governments only when they have full knowledge of their rights. Information sharing is thus essential for any government that supports participation.

#### *Strategies for Promoting Participation in Governments*

Once group members spelled out the basic ideas they shared about the Bank's role in promoting participation within governments, they made a number of specific recommendations. These have been clustered under various categories. There is no attempt here to rank them by importance or value, and in fact, these are not recommendations that every member endorses. Rather, the categorization and ordering has been done with a mind to giving a logical sequence to the dialogue and to including all the ideas that emerged in the course of the discussion.

*Identifying the "right" people and institutions to work with.* Most successful participatory projects have involved the cooperation of some dedicated government officials. In every government, there is usually a small group of bureaucrats committed to participation and social issues. Rather than trying to convert all government staff to participation, the Bank should concentrate on identifying, working with, and empowering individuals within the government who are already convinced of the value of participation.

Similarly, it is important to sit down with the people within government who are against participation.

- There are those who say that consulting people is too impractical: for example, they complain that it is too time-consuming or that bad roads make meetings difficult.

- Because the consultative process often involves more paraprofessionals, specialists may feel threatened, since they will be less in demand.

These issues must be raised with the concerned staff themselves. Getting staff together and identifying problems will be a first step. Once obstacles are laid out on the table, they become easier to address. Some of them are solvable.

Along the same lines, the Bank needs to encourage governments to identify allies among professional groups (such as doctors and teachers) and paraprofessional groups who believe in participation. Getting the change in attitudes to come from within the profession itself will be much easier than trying to convert people's value systems from outside.

Governments should also be encouraged to hire people with practical experience in dealing with specific problems.

*Working with nongovernmental organizations.* The most important way the Bank can encourage governments to be more participatory is to work more with NGOs. There was consensus in the group on the need to set up a consultative process between the government, the Bank, and NGOs/people's organizations. Current consultative mechanisms usually involve only two of those three key focal points. NGOs and other people's groups must be included in the policy dialogue between the Bank and the government. For example, before the next Structural Adjustment Loan (SAL) is initiated, some way should be worked out for NGOs and other groups to voice their opinions and concerns. This would lay the basis for a three-way consultation in which other Bank proposals may be considered, too.

NGOs have also spent much time and effort formulating practical methods, techniques, and tools for involving people in decision making and implementing projects and programs. There are many examples of simple tools and techniques that people are using to generate their own plans, agendas, and methods of problem identification. (Participatory rural appraisals are only one example.) Both Bank staff and government staff are, for the most part, sadly out of touch with these innovative techniques. Bank staff should try

to keep up with these innovations and encourage governments to use these techniques.

NGOs also have a role to play in training government staff to become more participatory in implementing their programs.

*Involving people.* In getting more participation in the project cycle, the Bank needs to place more emphasis on participation even before planning begins. Diagnosing the local situation before planning projects or getting a situation assessment by local people that allows them to identify what they want would go a long way toward instilling in people a sense of project ownership.<sup>2</sup>

Bank staff should work with government officials (especially senior officials) by basing themselves in the community to listen and respond to local proposals and to seek out how best to initiate and implement policies. Both Bank staff and government officials need to learn from people and collect their ideas, which are now largely ignored. This respect for people's ideas would facilitate the work of the Bank and governments, since people would be generating their own proposals; it would also have an empowering effect on people.

## Local Organizations

Warren A. Van Wicklin

The small groups suffered from some of the same problems as the workshop. During the first day, time was too limited, tasks were too structured, participants were more anxious to have their own say than to add to the comments of others, and frustration was widespread. Somehow, the small group was nevertheless able to generate worthwhile recommendations, although certain members felt they had been ignored.

### *Organizing the Groups and Questions*

The facilitator informed the group that since there are two institutional mechanism groups, the four questions had been distributed between them. The other group would address the two government questions, 16 and 17, while our group would address the two local organization questions, 15 and 18 (refer to annex 4, Twenty-One Priority Questions). The facilitator then asked participants how

The Bank should encourage governments to use as examples participatory development initiatives that have worked in other countries. These could serve as models and foster a change in attitudes. Government staff, especially those posted in rural areas, are usually receptive to such examples.

The Bank can also play a role in setting up colloquiums that capture traditional methods of participation and that will provide a forum for sharing experiences and knowledge.

For the purpose of information sharing and, consequently, of providing a way to strengthen the voice of beneficiaries, the government and NGOs should be encouraged to use mass media.

### *A Final Remark*

Trying to do everything at once is impractical. It is also relevant to note here that there are certain types of development projects that require no participation. The Bank must thus start small and introduce change on a sequential basis. It needs to identify the "entry points," the key persons, the right political space, and the most pertinent sectors to begin its work.

they wanted to organize to begin working. Several members immediately raised objections to this restructuring. Why focus on these two questions when everything is related? They also worried that splitting into small groups could mean that some participants would miss hearing from key people and that the group might lose the experience of quiet people. A compromise was reached: the group decided to remain together to identify key issues and then to break into two groups to discuss the issues in depth.

### *Key Issues*

*A focus on groups.* Tom Carroll was invited to establish a foundation for the discussion. He began by noting that participation is much more complex than the themes displayed on the flip charts from the previous activity suggested. Working with communities or NGOs at the grass-roots level is not synonymous with participation. NGOs are useful for many things other than participation. There is a need to disaggregate the NGO universe.

There are many different interest groups. Because the population is heterogeneous, only partial (not universal) participation is possible. The key is how group interests are articulated and represented. People do not have time to continuously make intensive fact-to-face inputs; communication must be indirect and representative. He listed reasons for working with groups rather than individuals.

Participation, even if it is done individually, is a collective or public act, such as voting for a political representative or lobbying for better schools. Most of the literature (and Bank experience) in participation involves groups of people and collective or cooperative behavior rather than only individual behavior. One reason for this is the nature of projects for which participation is most relevant—projects involving collective or public goods like water, forests, schools, clinics, or roads. Another reason is that extensive participation by poor people occurs through local organizations, often through informal groupings. But one should not get hung up on the concept of “community,” because in practice the participatory group most often does not coincide with the traditional community.

*Shortcomings of current Bank practice.* Several Bank participants mentioned that the Bank is already working with representative groups, but non-Bank people disagreed. They argued that the Bank is undermining groups and that many of the groups the Bank works with—usually intermediary NGOs—are not interested in promoting participation but are acting out of self-interest because they are becoming clients of the Bank. Intermediary NGOs have contracts to deliver services to grass-roots NGOs, tend not to be very participatory, and sometimes even constitute a barrier to participation. The key is whether the process is a bottom-up or top-down one, whether the initiative is coming from the Bank or the people. Groups are also getting caught between the Bank, their national governments, and the people. Part of the problem is different styles of thinking, speaking, and conceptualizing the problem. Farmers start with problems while the Bank and governments start with proposed solutions. The question was posed: how can we reconcile the bottom-up thinking of small farmers with top-down World Bank styles? Groups live under different realities than governments. A very heated discussion ensued.

*Differentiating genuinely participatory NGOs.* When Sullivan and Carroll asked how the Bank

could recognize genuinely participatory NGOs, five people immediately tried to answer, and a sixth observed that “this just demonstrates the difficulty of working in this size group.” The group decided to accept the suggestion that each participant would state one issue he or she felt was important. The issues varied widely, from identifying sectors, stages, situations, processes, and indicators of representativeness to adopting policies and procedures for identifying NGOs. The following questions were written on a flip chart:

- Given that neither grass-roots NGOs nor intermediary NGOs are participatory, how can the Bank sort out the genuine ones?
- What are the situations in which NGOs and others can be used?
- Are there some sectors in which popular participation is more effective?
- Should we focus on NGOs alone, or on the whole chain from governments to NGOs?
- What menu of processes should the Bank be using? Should it add new processes to the list of policy dialogue, projects, communicators, aid coordination, and adjustment lending?
- What does a group’s organization indicate about its goals and capacities? Is there a process for determining whether a group has been captured by vested interests or is representative?
- Does the Bank have procedures and policies to identify the right groups?
- What can be done about groups that take on responsibilities greater than their capacity?
- How political can the Bank be?
- Do NGOs and other groups need to be democratic? Whose values govern the selection of groups?

Some people wanted to reduce the list of questions to three main ones, but others resisted. After 10 minutes, it was agreed that each subgroup could address as many of the questions as it wished. The group split into two subgroups of seven people each.

#### *More Detailed Responses*

*Subgroup debates.* Consensus did not emerge easily. Participants repeated their themes from the morning, and the same disagreements arose. A Bank person persisted in trying to get the group to define when participation is most likely to be ben-

eficial. A Northerner protested that all projects need participation. Several Southerners added that the problem is how the Bank and governments decide who they will listen to—that is, who participates. They also stated that one cannot speak of participation without organization and that, although the Bank cannot organize the people itself, it needs to ensure that participation and consultation happen early enough to make a difference. Participation in the past has too often meant getting local people and groups to sign on to projects that they have had little input in helping plan and design.

*An emerging consensus.* Eventually, it was agreed that popular participation needed to take place at the very beginning, during preproject conceptualization (country and sectoral strategy), so that whatever is designed reflects the people's expressed needs. Several questions were asked about whether the Bank does social feasibility analysis or social cost analysis/audits of its projects. The same Bank person again tried to steer the conversation into defining in what instances participation is practical. The other members of the group remained firm in saying that participation applies to all projects and, beyond that, to development in general. Southerners maintained that the Bank still has a top-down approach, making projects known and asking who wants in. Needs, they say, must be expressed first before projects can be designed to meet those needs. Once again, several people spoke at once, and there was not even time to translate the French speaker's comments, which were lost. The group once again coalesced around the theme that the approval of the people is needed, possibly as part of a social impact assessment process. One Southerner repeated for the second or third time the need for a development scheme before specific projects.

*Generating recommendations.* The Bank person now tried to synthesize two recommendations or themes. The first was on upstream activities, before project feasibility: he spoke of the need for general

agreement with groups. The second point concerned the feasibility study itself: this, he said, needs a social impact/participation assessment component that should be shared with the people the project will affect to get their feedback and comments.

### *The Combined Lessons*

One person from each subgroup reported to the full small group on its main recommendations. The second subgroup produced slight variations on the first subgroup's emphasis. Both mentioned the need for comprehensive institutional assessment as part of a search for participatory opportunities, as well as the need to pay attention to Bank lending instruments, especially where they might upgrade the capacity of latent groups. The first subgroup reporter immediately noted that the development scheme of the second subgroup was much like a country development strategy statement. The two lists were quickly synthesized into a common three-point list calling for national institutional assessment, a project development scheme, and decentralized financial management.

### *Notes*

1. The point was made that the conviction with which Bank staff approach their work on encouraging governments to be participatory depends, to a great extent, on whether the Bank itself is participatory. Although no group consensus was reached on this, it is a point worth noting.

2. A point made by one person in this context is worth mentioning. It is reproduced here almost verbatim: We need to be clear that the subject of our discussion today is not people. It is institutions and networks. It is about how institutions participate in people's lives—not about how people participate in institutions. People do not want to participate in institutions; they want to live their lives—and we need to figure out how we, as institutions and networks, can work our way into their lives so that we are able to provide them the services and goods that they are entitled to, that they need and want.

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# 18

## *Funding Instruments*

*Brett Crawford*

Although originally intended to concentrate on the topic of funding instruments for participatory development, this small group instead chose to discuss a broad spectrum of topics and issues, ranging from definitional ambiguities of popular participation to the Bank's objectives, strategies, and capacity to pursue participatory development, including specific items related to the implementation of participatory programs within countries.

### **Definitional Concerns**

At the outset of the discussion, many group members felt that a consensus should be reached within the group about the exact nature and purpose of participatory development. Notably, group members asked questions such as whether popular participation is synonymous with nongovernmental organization (NGO) activity, whether the use of intermediary agencies in projects can be equated with grass-roots development, and whether participation is, in itself, an end or a means to an end.

In general, no clear definitions resulted from this discussion. However, agreement was reached on three broad categories of participation: local participation in project and policy design, local participation in project activities, and funding of participatory projects. The first two categories relate to the roles played by the home country participants themselves, while the third is specific to the Bank's (and other funding agencies') work.

This last category of participation also sparked a discussion about the use of the terms "funding" and "lending" as they pertain to participatory operations. Because of the general reluctance of countries to borrow funds for participatory projects (they prefer grant funds), it was decided that more emphasis should be placed on ensuring that these terms are used with greater care in order to minimize confusion and to provide a clearer description of the role of the Bank's funds.

### **The Bank's Objectives, Strategies, and Capacity**

Attention next focused on reaching a consensus on the actual and preferred roles and strategies of the Bank in pursuing participatory development activities.

#### *More a Means than an End*

The group concurred that the role of the Bank in fostering greater popular participation within countries depends on whether participation is viewed as an end in itself or as a means to an end. Or, put another way, it depends on whether the Bank should fund participation or participatory development. The group opted for the latter by affirming that (within the context of the Bank) participation is a means of achieving greater effectiveness within Bank-financed projects. Other issues related to participation, such as governance,

can be addressed by the Bank using other tools (for example, research) and through the natural consequences of its projects. (The political environment of a country, for instance, can be improved indirectly by building more accountability into projects.)

### *Importance of an Enabling Environment*

It was agreed almost unanimously that the Bank's role as a lender is considerably less important than its role in creating an enabling environment for participatory development within countries. It was recommended that the Bank use all its nonfinancial tools (for example, fiscal policy analysis and macroeconomic and sectoral options) to try to create such environments. It was widely acknowledged that the Bank is uniquely positioned to conduct the kinds of policy dialogue necessary to achieve this result.

Further recognizing the limited role of the Bank's own financial resources, group members felt that much greater emphasis should be placed on coordination and on increasing the activities of other funding agencies that are much larger players than the Bank. Again, this is an area in which the Bank has a considerable comparative advantage.

As a corollary to the two previous recommendations, the group stressed the importance of considering with whom the Bank interacts and should interact in its attempts to foster a dialogue on participatory issues. In support of this idea, it was noted that the Bank often engages in dialogues with government officials, local individuals, and donor representatives who are ill-equipped to fully comprehend the issues discussed or are unable to act effectively on any agreements that are reached.

Moreover, a strategic approach for the Bank in developing and managing its country programs was deemed an essential prerequisite for any policy dialogue or donor coordination. In particular, resource allocation and policy design should be given special attention.

### *Institutional Limitations*

Limiting the Bank's ability to achieve the objectives outlined above are several factors that relate either to the Bank's own institutional characteristics or to the characteristics of the processes through which the objectives would be attained.

Perhaps the most important Bank characteristic impeding the widespread acceptance and pursuit

of participatory initiatives is its incentive structure. Managers (task and line) often lack the willingness to experiment with new strategic approaches and to take risks during the design and implementation of projects that could serve as effective vehicles for enhanced popular participation.

In addition, it was mentioned that many Bank staff are not knowledgeable enough about participatory issues or the design of effective participatory projects to fulfill the roles expected of them. Some group members proposed a system of staff training and skill building for participatory development as part of the existing core training program for higher level staff (especially task managers).

Finally, restrictions on the flow of information within and outside the Bank were cited by most group members as important contributing factors to both the relative ignorance of Bank staff about participatory issues and the inability of Bank and country officials to plan effective participatory programs. It was strongly suggested that many existing Bank restrictions on the disclosure of information be relaxed and that stronger linkages between the Bank, governments, and people be established to facilitate the transfer of experiences and information that would be used to design and evaluate participatory programs. Such steps would also capitalize on the Bank's comparative advantage as a collector and repository of information and as a synthesizer of ideas pertaining to participatory development.

### *Process Characteristics*

Historically, the Bank's preference for easily quantifiable, supply-driven projects has limited its willingness and ability to support participatory projects that are, by nature, demand-driven and thus relatively difficult to appraise in advance. Consequently, it was agreed that a change in attitude toward participatory projects is needed to improve the Bank's ability to respond quickly and effectively to grass-roots needs within countries. Specifically, the Bank should be more patient during project preparation and implementation, while institutional capacity is built up within the country and an appropriate and comprehensive implementation strategy is developed jointly by the Bank and the country.

In order to achieve this goal, more upstream technical assistance from the Bank should be provided to countries (out of the Bank's own resources and not from the Project Preparation Facility fi-

nancing, since governments are unwilling to borrow for this critical assistance), while more technical work should be conducted by the Bank to identify and assess financing mechanisms that are appropriate for different country environments. One idea proposed to improve the Bank's ability to identify and evaluate potential participatory operations was the establishment of a needs-assessment mechanism similar to the environmental impact assessments (including beneficiary and institutional assessments). These assessments would consider factors such as poverty, level and intensity of people's involvement, and institutional constraints.

Finally, as an essential element of the process of Bank support for participatory projects, the Bank should adopt a continuity of focus on implementation and supervision beyond the presentation of projects to the Board that is linked to the Bank's incentive structure.

### **In-Country Implementation Issues**

As noted above, the group agreed that the establishment of enabling environments for participatory development within borrower countries is a critical step in promoting greater effectiveness in Bank projects. During the discussion, it was noted that governments, like the Bank, face challenges to their capacities to promote participatory activities. These challenges can be identified as either institutional or procedural.

#### *Institutional Characteristics*

The group overwhelmingly concurred that, before any steps can be taken to create an in-country enabling environment for popular participation, the Bank must understand the legal and policy framework of a country, including the degree of centralization in the decision-making hierarchy, the level of competition among service providers, the extent to which NGOs are regulated, and the freedom of and access to information within the country for both governmental and private purposes.

Additionally, it was noted that many countries are reluctant to enter into policy dialogues about participatory development with the Bank or any other international agency because of concern that involvement of external agencies would constitute an infringement on the sovereignty of the countries. Another obstacle to be overcome is the risk-averse nature of borrowing governments: often governments choose not to borrow hard cur-

rency for "soft" projects because they assume that the benefits are less quantifiable and thus riskier.

As it did with the Bank, the group pointed to severe flaws in the incentive structures for both governmental and NGO activities as areas needing urgent attention. For example, low government salaries and high levels of rent-seeking behavior distort mechanisms for improving the efficiency of Bank projects and for encouraging greater local participation.

Finally, many group members stressed that the Bank needs to pay particular attention to assuring access and equity for both women and the poor in proposing and implementing participatory participatory activities.

#### *Process Characteristics*

The group concluded that transparency of financial flows and decision making, along with accountability of governmental and nongovernmental agencies to both the Bank and to project beneficiaries, is the most important procedural factors that should be considered to strengthen the chances for a participatory project's success.

It was also mentioned that governments often need to be convinced of the efficacy of using NGOs to transfer funds to beneficiaries. As a means of addressing this concern, the group recommended that more research be conducted by the Bank on the benefits of using nongovernmental intermediaries in a project. In addition, it was suggested that NGOs themselves could be improved through extensive training programs and better strategic planning.

#### *Mechanisms*

As noted earlier, the group asserted that the design of participatory programs requires greater flexibility because of the programs' demand-driven nature. It also agreed that the Bank should permit managing units to experiment with more innovative strategies and mechanisms and provide the units with more time and resources to develop the mechanisms properly.

However, and seemingly contrary to its earlier statement, the group also recommended that stricter cost-benefit analyses of participatory projects be conducted to ensure that project objectives will be met by the proposed mechanisms. Accompanying this change should be an adjustment in project economic efficiency indicators to include the longer-term benefits of participation.

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# 19

## *Monitoring and Evaluation*

*Christopher Ward*

This group's discussion was focused around the presentation by Norman Uphoff (chapter 15). In the plenary session, Uphoff emphasized the virtue of the monitoring and evaluation process as a learning system for both managers and participants and the importance of participatory self-evaluation and joint evaluation not only for orienting project development but also for reinforcing project ownership.

### **Key Themes**

In the group's first open discussion, key themes began to emerge. The group found no fault with the classic distinction between monitoring as a regular data-collection system and evaluation as a periodic review of achievements against targets feeding back into a dynamic management system. It was pointed out that distance from the project and degree of participation both affect the type and volume of data that could be useful. But a key role of monitoring and evaluation is to make all participants accountable. The notion of monitoring and evaluation as a standard system, to be plugged in like an infrastructure component, was not favored. Participants felt that the system must be designed on a case-by-case basis. The elements of the system should be determined by an analysis of the activities to be monitored and an appraisal of the participants, their roles, and their expectations.

Defined like this, the monitoring and evaluation function becomes an integral part of the whole

project. The participants in the monitoring and evaluation system are the project participants; the parameters are the data of value to the participants, and the gathering of data and acting on them become a part of the management of the project. Monitoring and evaluation is the central dynamic process between the project and its stakeholders.

The challenge for monitoring and evaluation design is thus considerable—nothing less than involving the target group from the beginning and ensuring that system design allows full participation. Information that flows has to be acceptable to and understandable by all parties concerned. Participants must agree on a baseline "situation assessment" and choose indicators that relate to common, clearly defined objectives. The difficulty of the task varies with the complexity of the project. The group felt that capacity building was the most difficult goal to monitor—or, indeed, to define.

The session concluded by highlighting three key considerations that appear to be the hallmarks of monitoring and evaluation in participatory projects:

- Everything should reinforce the truth that each participant is a stakeholder.
- Information should be directed toward decisions.
- A variety of methods should be employed, since each is by itself imperfect.

During the second session of the group, separate subgroups discussed each of three aspects of monitoring and evaluation.

### Monitoring and Evaluation Strategies

One subgroup concentrated on monitoring and evaluation strategies, particularly on the criteria for choice of methodologies. The key methodology was clearly that which would allow the capture of indicators of the subjective satisfaction of participants. This methodology was dubbed "qualitative research." In line with the distinction Uphoff makes in chapter 15 of this volume, one variant was the "emic"—self-evaluation by participants. The subgroup concluded that the best source for "emic" methodology was in existing self-managed projects. The analysis of how these projects did their monitoring would reveal a range of organically developed and well-adapted methodologies. One participant considered that the best "etic" methodology for qualitative research was "operational empathy" through structured interviews, but others considered that this was but one more addition to the useful list in Uphoff's paper, with its own advantages and inconveniences, according to the situation.

Quantitative monitoring, in itself too austere to allow meaningful analysis of a participatory project, should be employed as an objective complement to qualitative research. The employment of both qualitative research and quantitative monitoring would create a management tool to guide project development and implementation from its conception. But more powerfully, the system would provide opportunities for learning not only about progress measured against objectives, but also about the structure and appropriateness of the project, the nature and dynamic of the group, and the self-management process. The learning involved in monitoring and evaluation is the key to defining and redefining project objectives and processes, of fostering ownership of the project by participants, and of developing group capability for self-managed development. This elevated conception of the importance of monitoring and evaluation led one discussion participant to propose dubbing the whole process "learning" rather than "monitoring and evaluation"; "learning," he said, is more "user-friendly" and carries less "judgmental" freight.

The subgroup discussed an important clarification to the notion that "emic" and "etic" approaches

were for different audiences. They noted the potential for an outside agency to contribute to an internal self-evaluation process. In this picture, self-evaluation would be an ongoing learning and management process complemented by periodic visits from an outside agency. The role of the outside agency would be defined by mutual agreement; it could range from a catalytic or technical assistance role to a supervisory or even inspection role, depending on participants' needs and the nature of the project. One discussion member offered the analogy of a company audit and quoted Benor as saying, "Everybody needs the discipline of someone looking over his shoulder."

The types of indicators that could be developed would depend on the nature of the project and the group's needs, but in general, four classes of indicators were felt to be particularly important:

- Economic indicators
- Empowerment indicators (How many new initiatives were launched? How proactive is the group, as measured against a specially devised index?)
- Indicators of continuity and participation
- Autonomy indicators.

With regard to the Bank's role in fostering popular participation, it was felt that participation should begin at home; the Bank should examine its own participatory style and look at its own processes and incentives. A good place to start would be a participatory self-examination of the rewards and incentives offered to encourage the development of participatory operations.

A final theme of the subgroup was the absence of any very focused support within the Bank for the development of participatory projects. It was proposed that the Bank create a resource center for participatory projects to spread information on successes and approaches in order to foster a culture within the Bank favorable to a new generation of participatory projects.

### Developing a Monitoring and Evaluation Process for Participatory Projects

A second subgroup examined ways to develop a process for monitoring and evaluation for participatory projects within the World Bank.

The discussion started from a consideration of the nature of participatory development; this was seen as a process of capacity building that could

create, in turn, a process of sustainable development. The process would hardly succeed if it was imposed from above—for example, as a substitute for delivery of services by the public sector. The process could be initiated with another agency acting as a catalyst, but the process would require a far broader level of consultation with and participation by local groups at the conception stage than exists in current World Bank-supported projects.

The subgroup analyzed some key changes that this new orientation would bring to the classic project cycle. The first would be the heightened importance given to the “social design” of the project, in the same way attention is paid to the “engineering” or the “economics” of a classic project. The group used the term “social design” to mean the placing of the project in its social setting, the analysis of individual and institutional factors in the project, and the dynamic of participation in the project.

The Bank has few staff members skilled in the social sciences or possessing the kind of practical field experience that would allow them to do the analysis required. It was therefore felt that the Bank should build up a capability for social design to the level of a critical mass within the institution. The location and organization of the staff members responsible for social design would require careful reflection—and probably some trial and error. The question of how to build this capability within the Bank was deferred to the discussion of Bank staffing issues on the second day of the workshop.

A second change identified in the project cycle would be the expansion of the cycle to include the participants from the beginning. The key suggestion made here was that the intermediation between internal group dynamics and the factors of change coming from outside could be assisted by a facilitator—for example, a committed representative from an external agency living in the community to help generate and sustain community participation. It was in this concept of the facilitator that the subgroup made its contribution to thinking about the development of a monitoring and evaluation process for participatory projects.

The facilitator would be the primary catalyst for helping participants think about objectives and decide how to monitor and evaluate progress. The facilitator would also be the link between internal and external monitoring and evaluation, able to aid interpretation between the two approaches.

One discussion member considered that the World Bank itself might move further into the facilitating role by decentralizing its staff to the field. However, it was generally recognized that there was a difference of both kind and degree between a major development finance institution and the kind of agency that can work at the grass-roots level. Decentralized, the World Bank might “facilitate” in the milieu of government policy, NGO-government-donor coordination, program packaging, and so on; this role would be paralleled by field-level agencies facilitating the development of local capacities. If the World Bank were to be “born again,” as one subgroup member put it, the reincarnation should be consistent with the Bank’s inherent advantages.

### Specifying Cost and Benefits

A third subgroup considered how to specify the costs and benefits to be evaluated. The subgroup developed a keen awareness of the complexity of the question, which could comprise qualitative and quantitative parameters; direct and indirect effects; first-, second-, and third-order benefits; the scope for chain reactions and spread effects; and the time dimension. The ramifications seemed endless, and many seemed charged with ambiguity.

The subgroup proposed, as a flexible guide out of this seeming morass, the notions of benefit mapping and cost mapping. These imaged concepts expressed, for the group, the need for multidimensional instruments for monitoring and evaluation that would allow the capture, for example, of:

- Benefits and costs as seen by different groups
- Benefits and costs tracked over time
- The causal linkages between benefits and costs identified.

As an exercise in practical analysis of this attractive but rather airy concept of mapping, the subgroup analyzed some of the cost and benefit parameters that they would have on their maps. The list thus provides a sort of “key” to the proposed maps. Among costs are financial and economic costs, training, consultation (within and between participating institutions), preparation work, and physical execution. Among benefits are capacity created, changes in perception, design, commitment, implementation performance, resource mobilization, sustainability, savings in time, and savings in lives.

The subgroup was thus able to propound the map as a generic, flexible instrument to embrace monitoring and evaluation of participatory projects. It was also able to begin to specify how to fill in the map using the evolving methodologies of situational analysis and participatory rural appraisal.

### Conclusion

The whole group came back together for a brief exchange of results. It was agreed that the three key ideas that had been developed were:

- The *proposal for a resource center*, an idea that captured the general imagination and that was further endorsed by the staffing-issues group the next day.

- The *idea of participatory social design teams*, even if, at the end, the group was uncomfortable with the term "social design," which sounded too much like a disembodied technocratic function. The group felt it should be more facilitating in function, and added the word "participatory."
- The *notions of benefit mapping and cost mapping*, which could make monitoring and evaluation one of the most dynamic participatory processes, as has been demonstrated by the proliferating success of participatory rural appraisal and beneficiary assessments.

### Note

This paper benefited greatly from comments by Elisabeth Shields, Larry Salmen, Albert Greve, and Bachir Souhlal.

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## *Annexes*

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## ***Annex 1 Bank-wide Learning Group on Popular Participation***

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## *Annex 2 Common Vocabulary Paper*

The core team of the popular participation learning group has urged that we develop a common vocabulary for the Bank-wide learning process. The conceptual framework presented here is derived in part from the paper, "Strengthening the Bank's Work on Popular Participation," which went to the Operations Committee in November, 1990. This conceptual framework also draws heavily from definitions that Samuel Paul developed in his 1987 paper, "Community Participation in Development Projects: The World Bank Experience."

### **Definition of Popular Participation**

Popular participation has been defined in several different ways, partly reflecting the differences in the objectives for which participation may be advocated by different groups and agencies.

For purposes of the Bank-wide learning exercise, we propose to define popular participation as a process by which people, especially disadvantaged people, influence decisions that affect them.

The term "popular" refers not only to the absolute poor but also to a broader range of people who are disadvantaged in terms of wealth, education, ethnic group, or gender. "Participation" means influence on development decisions, not simply involvement in the implementation or benefits of a development activity, although those types of involvement are important and are often encouraged by opportunities for influence.

The focus of this World Bank learning process is on popular participation in Bank-supported development activities. The Bank's mandate clearly allows it to encourage popular participation in Bank-financed projects when this would contribute to the Bank's development objectives of poverty reduction, economic growth, and environmental protection. Operational activities other than lending are increasingly important aspects of the Bank's work, and the impact of nonlending operations (for example, economic and sector work or special efforts such as the Bank-United Nations Development Program (UNDP) Water Supply Program) need to be assayed, along with lending operations, for contributions they can make to popular participation. On the other hand, the Bank's influence is limited, both as a practical matter and also by its charter. The Bank's Articles of Agreement require that the Bank not be influenced by the political character of its member countries or interfere in their political affairs.

### **Objectives of Participation**

Popular participation may be seen as a process that serves one or more of the following inter-related objectives:

- *Empowerment.* One objective of popular participation may be empowerment—a more equitable sharing of power and a higher level of political awareness and strength for disadvantaged

people. If empowerment is the objective, the most important result of a development activity might not be an increase in economic production or incomes but rather the development of people's capacity to initiate actions on their own or influence decisions of more powerful actors. Given the Bank's Articles of Agreement, the Bank does not pursue empowerment as an end in itself. On the other hand, this objective is often consonant with the Bank's purposes. The Bank's mandate would clearly allow it, for example, to empower disadvantaged women through group formation activities in order to increase their demand for and access to credit.

- *Beneficiary capacity.* Popular participation may serve a more limited objective of building beneficiary capacity in relation to a Bank-supported operation. Thus, beneficiaries may share in the management tasks of the operation by taking responsibility for it themselves. Developing beneficiary capacity could also contribute to the sustainability of a project beyond the disbursement period due to enhanced beneficiary interest and competence in project management.

- *Effectiveness.* Popular participation may contribute to increased effectiveness of a Bank-supported operation. Effectiveness refers to the degree to which a given objective is achieved. It is useful to distinguish effectiveness from efficiency, which measures the relationship between a given output and its cost (inputs). Popular participation tends to enhance project effectiveness when the involvement of beneficiaries contributes to better project design and implementation and leads to a better match of project services with beneficiary needs and constraints. Popular participation, for example, can provide inputs for project design or redesign so that appropriate services are devised and delivered. Here, the focus is on the achievement of project objectives.

- *Cost sharing.* Another objective of popular participation is to share the costs of the project with the people it serves. Thus, beneficiaries may be expected to contribute labor and capital or to undertake "self-help" to maintain the project. Popular participation may thus be used to facilitate a collective understanding and agreement on cost sharing and its enforcement.

- *Efficiency.* Popular participation may improve project efficiency. Project planning and implementation could become more efficient because of timely beneficiary inputs. Popular participation could be used to promote agreement, cooperation,

and interaction among beneficiaries and between them and the implementing agency of the Bank-supported operation so that delays are reduced, a smoother flow of project services is achieved, and overall costs are minimized.

### Units of Participation

People participate in Bank-supported operations as individuals, households, groups, and communities. Beneficiaries and the adversely affected, as individuals, can participate in many ways. Their needs and preferences can be ascertained through individual interviews. Often a powerful way to give individuals more influence is to encourage free markets and competition to provide for their needs. Households are often distinct economic entities for production, for earning, and for sharing consumption and thus serve as natural building blocks for participatory activity. People act in concert, as members of groups or communities, to advise, decide, or act on issues which can best be solved through collective action (for example, when externalities/indivisibilities are present or organized groups are essential to create commitment, or for learning, confidence building, or cost sharing).

### Levels of Participation

People participate in Bank-supported operations at the community, provincial, and national levels. Even when the context of participation is a particular project, the public finance, administrative, and legal environments (aspects of "governance") shape, and sometimes determine, the extent of popular participation in the project. Economic and sector work often deals with such issues.

### Intensity of Participation

Popular participation can vary in the intensity with which it is sought in a particular Bank-supported operation or at a particular stage of operation. It is useful to distinguish between four levels of intensity in popular participation, though different levels of popular participation may coexist in the same Bank-supported operation.

- *Information sharing.* Designers and managers of Bank-supported operations may share information with beneficiaries in order to facilitate collective or individual action. Information sharing is a

form of low-level participation, but it can have a positive impact on project outcomes to the extent that it equips people to understand and perform their tasks better.

- *Consultation.* When people are not only informed but consulted on key issues, the level of intensity of popular participation increases. There is an opportunity here for people, especially disadvantaged people, to interact and provide feedback to the development agency—feedback which the agency can take into account both upstream and downstream in the design and implementation stages.

- *Decision making.* A still higher level of intensity may be said to occur when people, notably disadvantaged people, have a decision-making role in matters of policy, project design and implementation. Decisions may be made exclusively by disadvantaged people or jointly with others on specific issues or aspects relating to a policy or project.

- *Initiating action.* When people, especially disadvantaged people, are able to take the initiative in terms of actions and decisions pertaining to a Bank-supported operation, the intensity of popular participation may be said to have reached its peak. Initiative implies a proactive capacity and the confidence to get going on one's own. This is qualitatively different from the capacity to act or decide on issues or tasks proposed or assigned to people by some external development agency.

### Instruments of Participation

By instruments we mean institutional devices used to organize and sustain popular participation. These instruments include local-level development workers, nongovernmental organizations (NGOs) such as local organizations, intermediary NGOs, and apex organizations, local government units, central government agencies, and private sector mechanisms. All available instruments have their relative strengths and weaknesses irrespective of the sector to which they belong: private, public, or NGO.

- *Local-level development workers.* Local-level development workers (LLDWs) are key players in the communication process between a development agency and people. They spend more time in the field with people than all other development officials and are in a position to transmit information in both directions. Technical expertise is not the most important quality of a LLDW; personal

acceptability of the worker is more important than such expertise. The selection process, training program, and incentive structure for LLDWs (for example, giving disadvantaged people a say in hiring, firing, and compensation of LLDWs) can be important to the success of an effort to foster popular participation.

- *NGOs.* NGOs include a wide variety of groups and institutions that are entirely or largely independent of government and are characterized primarily by humanitarian or cooperative, rather than commercial, objectives (Operational Directive 14.70: Involving Nongovernmental Organizations in Bank-Supported Activities). NGOs, on the basis of the level at which they operate, may be classified as local organizations, intermediary NGOs, and apex organizations.

- *Local organizations.* Local organizations are defined as groupings of rural and urban dwellers with some formal structure that are directed toward increasing the economic productivity of members as well as facilitating the development of local and social infrastructure. These organizations have two distinguishing characteristics: they are based on voluntary membership, and they are involved in development activities. Examples of local organizations could include religious organization, kinship organizations, ethnic organizations, caste organizations, cooperatives, age groups, gender groups, farmers groups, herders groups, irrigation associations, rotating credit associations, neighborhood associations, friendly societies, funeral societies, or even village dancing societies. Local organizations are potentially useful vehicles for augmenting development efforts and, more specifically, for strengthening popular participation. They can facilitate planning and goal setting, increase resource mobilization, enhance resource management, exercise control over external actors, maintain group solidarity, reduce risks, and allow economies of scale.

- *Intermediary NGOs.* The Bank and government agencies are limited in their capacity to directly deal with local organizations (as these tend to be small, loosely structured, localized, and vulnerable), and intermediary national and regional NGOs can sometimes help bridge the gap between macro-level developments and local organizations. Their intermediary character is reinforced by the fact that a majority of their programs are basically for others rather than for their own membership.

Intermediary NGOs may be further subdivided into two functional categories: service providers and policy advocacy groups. Service providers do not merely perform the narrow function of delivering cost-effective services, as their name implies. They work with other instruments of participation to translate beneficiary needs and knowledge of local conditions to the Bank and to translate project guidelines to the communities; to target and organize beneficiaries to take advantage of project benefits, to establish and manage delivery institutions; and to deliver and expand service. Policy advocacy NGOs bring issues such as the environment, technical knowledge of local conditions, and the rights and concerns of disadvantaged people to the attention of policymakers. They play three interconnected, constructive roles in Bank-supported operations: they contribute to planning design, act as watchdogs during implementation, and provide stimuli to corrective action.

- *Apex NGOs.* These NGO coordinating bodies are membership organizations that work at the national or sometimes international level. Apex organizations increase collaboration among NGOs, provide training and technical assistance to their NGO members, improve NGO links to the government and external donors, and help NGOs with fund raising. Sector-specific apex NGOs like WALHI in Indonesia, as well as cross-sectoral apex NGOs like AVARD, ANGOC, and ADAB have contributed to Bank-supported operations in Asia.

- *Local government units.* Sometimes local governmental and semi-governmental institutions play a significant role in promoting popular participation. The comparative literature on local governments documents the role of local groups such as the *panchayats* in Karnataka and West Bengal, *barangay* councils in the Philippines, *saemaul* units in Korea, village councils in Pakistan, *comités municipales* in Mexico, and tribal councils in Africa as instruments of popular participation.

- *Central government agencies.* Certain government line agencies and parastatals serve as role models for facilitating popular participation. A case in point is the National Irrigation Administration (NIA) in the Philippines. The participatory programs of the NIA demonstrate that even large government bureaucracies can serve as instruments to empower people to take active roles in their own development.

- *Private sector mechanisms.* It is advisable to consider the inclusion of the best institutional mechanism in a Bank-supported operation regardless of the sector to which it belongs: private, public, or NGO. Market mechanisms are critical for facilitating participation for several reasons. In one component of the project, for example, central government agencies may have a comparative advantage, and in another a private agency may be the best choice. An interplay of institutions—private, public, and voluntary—assists the disadvantaged to achieve what they consider to be a better life. In addition to avoiding the risks and breaking the monopoly power of government agencies, relying on private agencies introduces competition and the added incentives that come with it. If several institutions are operating in the same environment, for instance, a comparative judgement of relative quality is fairly easy to make. Competition thus provides clients (the disadvantaged) with an efficient source of information. Finally, when the disadvantaged are given a choice among the institutions that serve them, they are empowered. Rather than having to endure the indignities and inefficiencies usually associated with government agencies, they can “exit” the offending organization and “enter” another one.

### Comments on the Common Vocabulary Paper

We have received several comments from external reviewers on the common vocabulary paper. Some of the major concerns are summarized below.

The definition of popular participation used in the paper is too passive and reflects a “top down” approach of how to engage or include people in a particular project, rather than a more active definition focusing on empowering people to make decisions regarding external interventions in the life of their community, including committing their own resources to the undertaking and assuming responsibility for it.

The concept of participation should not be limited just to disadvantaged people, decision making, influence, and a process. Focusing on *disadvantaged people* as opposed to *all people* results in a class-biased definition. It has been suggested that the core team drop the reference to *popular* and replace it with *people* or *participatory development*.

The expression of participation and the methods to achieve it differ as the project unfolds from

stage to stage: participation in decision making may be different from participation in implementation, which may be different from participation in benefits. Participation in implementation, for example, deserves attention because it can give people more bargaining power with regard to the making of decisions when governments depend on beneficiaries to implement all or parts of their projects.

People should have *control* over decisions that affect them, not just *influence*, because one of the objectives of participation is building beneficiary capacity.

People do not participate in external interventions; they live their lives. External interventions interfere in their lives, and, therefore, the onus lies on external agencies, not people, to devise methods to participate.

The section on objectives of popular participation seems to blur the distinction between objectives for *participation* (those for intended beneficiaries and affected populations, such as empowerment and beneficiary capacity) and those for *Bank-supported operations* (effectiveness, cost sharing, and efficiency).

In the section on units of participation, there is some controversy about beneficiaries and the adversely affected participating as individuals. Even individual participation is a collective or public act. Most of the literature (and the Bank's experience) in participation involves *groups* of people and collective or cooperative rather than only individual behavior. One reason for this is the nature of the projects for which participation is most relevant (collective or public goods like water, forests, schools, clinics, and roads). Another reason is that participation by poor people usually occurs through local organizations, often via informal groupings.

In the section on levels of participation, the reference to the *provincial* level may be meaningless to people from most countries. *Regional* is a more generic term. Further, the *district* and the *subdistrict* levels, which are more likely loci for popular participation than state/provincial/regional levels, are ignored.

The section on intensity of participation suggests that the core team focus on participation in decision making rather than think in terms of four levels of intensity (information sharing, consultation, decision making, and initiating action). The following continuum may, therefore, be more analytically precise:

(A) Contributing to Others' Decision Making (Influence or Consultation)

1. *Information*: Solicited from intended beneficiaries
2. *Preferences/Judgments*: Expressed by intended beneficiaries
3. *Lobbying/Advocacy*: Opportunities for intended beneficiaries.

(B) Participating in Actual Decision Making

1. *Voice*: In making decisions (joint/shared decision making)
2. *Authority*: To make decisions (responsible decision making)
3. *Control*: Over resources to make decisions effective (empowerment).

The first set (A1-3) represents degrees of consultation, with increasing possibilities for influence and initiative as one moves from 1 to 3, but it makes no provision for empowerment. The second set (B1-3) represents increasing opportunities for initiative and empowerment (B2>B1 and B3>B2). Within each category there can be differences in degree such that the maximum of one can be more participation than the minimum of the one higher on the continuum. The steps thus can overlap in their degree of participation. Such is the nature of the complicated phenomena being dealt with. Category A can be considered participation, but it differs markedly from category B.

Category A contributes little to the development of capabilities among intended beneficiaries for managing and assessing their own advancement. Category B is more clearly linked with such capabilities. The continuum shows the difference between participating in the process of decision making (B) and just providing information or opinions to others who decide (A), and between having a voice in decisions (B1) and actually making them (B2), or between making decisions (B2) and having the resources needed to give them effect (B3).

In the final section on instruments of participation, a distinction should be made between direct and indirect means of promoting participation. Local-level development workers, apex NGOs, and intermediary NGOs are instruments *for promoting* participation, in contrast to local organizations, which are actually instruments *for participation*.

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## ***Annex 3 Twenty Bank-supported Operations Selected for the Bank-wide Learning Process***

- African Long-Term Perspective Study
- Central Visayas Regional
- Ecuador Rural Development
- Egypt Emergency Social Fund
- Ghana Structural Adjustment
- Guatemala and Honduras Social Investment
- Guinea Health
- India Resettlement
- Indonesia JUDP3
- Madagascar Environmental Action Plan
- Mali Resource Management
- Matrough Resource Management
- Mexico Decentralization and Rural Development
- Mexico Hydroelectric
- Nepal Hill Community Forestry
- Philippines Communal Irrigation Project
- Philippines Community Health Development
- Romania Health Rehabilitation
- Senegal Livestock
- UNDP-Bank Water Supply and Sanitation Program

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## ***Annex 4 Twenty-one Priority Questions***

### ***Questions for the Bank-wide Learning Process on Popular Participation***

***Questions 1-11 focus on the World Bank's capacity to promote participation. These were the priority questions for the second day of the workshop:***

- 1. Do some of the 20 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 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?**

*Questions 12-21 focus on participation in development activities in borrowing countries. These were the priority questions for the first day of the workshop:*

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?
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 toward NGOs?
18. What are the lessons to be learned from these 20 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?

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## ***Annex 5 Operational Directives with Language on Participatory Development***

- Policy Framework Papers (O.D. 2.20)
- Environmental Assessment (O.D. 4.01)
- Environmental Policy for Dams and Reservoir Project (O.D. 4.00, Annex B)
- Poverty Reduction (O.D. 4.15)
- Guidelines for Poverty Assessment Summaries (O.D. 4.15, Annex A)
- Indigenous Peoples (O.D. 4.20)
- Involuntary Resettlement (O.D. 4.30)
- Projects in Disputed Areas (O.D. 7.60)
- Financial Sector Operations (O.D. 8.30)
- Technical Annex to the Memorandum and Recommendations of the President for Technical Assistance Projects (O.D. 8.40, Annex A)
- Emergency Recovery Assistance (O.D. 8.50, Annex A and B)
- Processing of Investment Lending (O.D. 9.00)
- Procedures for Investment Operations under the Global Environment Facility (O.D. 9.01, Annex A and D)
- Project Monitoring and Evaluation (O.D. 10.70)
- Procurement (O.D. 11.00)
- Country Procurement Assessment Report (O.D. 11.01)
- Use of Consultants (O.D. 11.10)
- Aid Coordination Groups (O.D. 13.30)
- Trust Funds and Reimbursable Programs (O.D. 14.40)
- Involving NGOs in Bank-Supported Activities (O.D. 14.70)

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## *Annex 7 Workshop Matrix*

	<i>Working Group</i>	<i>Discussion Topic</i>	<i>Priority Questions *</i>	<i>Main Background Papers</i>
<b>Day 1 (February 26)</b> <b>Participation in Development Activities in Borrowing Countries</b>	1a	Capacity Building and Consultation	19, 12, 13, 14	Michael Cernea, "The Building Blocks of Participation: Testing a Social Methodology" (chapter 12)
	1b	Institutional Processes	15, 16, 17 18	Thomas Dichter, "Demystifying Popular Participation" (chapter 11)  Thomas Carroll, "Capacity Building for Participatory Organizations" (chapter 13)
	1c	Funding Instruments	20	Alexandre Marc, "Funding Mechanisms and Participation" (chapter 14)
	1d	Monitoring and Evaluation Mechanisms	21	Norman Uphoff, "Approaches and Methods for Monitoring and Evaluation of Popular Participation in World Bank-Assisted Projects" (chapter 15)

	<i>Working Group</i>	<i>Discussion Topic</i>	<i>Priority Questions *</i>	<i>Main Background Papers</i>
<b>Day 2 (February 27)</b> <b>The World Bank's Capacity to Promote Participatory Development</b>	2a	Time and Money	2, 3	Bhuvan Bhatnagar, "Participatory Development and the World Bank: Opportunities and Concerns" (chapter 2)  Anders Rudqvist, "Swedish International Development Authority's Experience with Popular Participation" (chapter 5)
	2b	Staffing	4, 5, 6	Fazle H. Abed, "Bangladesh Rural Advancement Committee: Promoting Popular Participation" (chapter 3)
	2c	Working with Others	7, 1, 8	Mary Racelis, "The United Nations Children's Fund: Experience with People's Participation" (chapter 6)
	2d	Outside Pressures	9, 10, 11	Pierre Spitz, "International Fund for Agricultural Development: Experience with People's Participation" (chapter 4)  (all 5 papers were distributed to each working group)

a. See annex 4.

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## *Annex 8 Participatory Process for Designing and Conducting the Workshop*

*Judy Nicholson*

This note describes the process used to plan and conduct the February participatory development workshop. The workshop modeled the participatory behavior it wanted to discuss; it used participatory methods for discussing participation. It demonstrated that, through participatory approaches, significant change in thinking can be achieved. There was a mixture of plenary sessions and small-group discussions, with the objective being to open people to new ideas, break down hierarchies, and share different perspectives. The workshop served to energize even those who did not attend through feedback from those who took part. It showed what can be accomplished by promoting open dialogue in an environment conducive to exploring new ideas and applying proven principles of group process to Bank consultation forums.

### **Purpose of the Workshop**

The purpose of the workshop was to simulate discussion about important aspects of participation and development and to help the learning group determine the relevant issues surrounding the Bank's capacity to support participatory approaches. The sponsors wanted to provide information to the participants, to receive information from them, and to create new ideas. This provided the two-way dialogue. The people who attended included World Bank staff, developing-country practitioners, NGO representatives, aca-

demics, and representatives from other official agencies. The principal dilemma which confronted the workshop organizers was how to conduct an international workshop of 80 people that was orderly, productive, and also participative.

### **Planning the Workshop**

The sponsors decided to use a participatory approach to demonstrate the Bank's commitment to participation, to draw on the expertise and experience of everyone who was taking part, and to engender involvement and commitment. The design team was made up of the two project managers and a process consultant. They consulted, as a group and individually, with members of the learning process core group, the task managers of the 20 selected projects, several NGO representatives, the facilitators, and several members of Bank senior management. Thus, the workshop design evolved through an iterative process of discussing goals and suggesting means to reach these goals. Representatives of the major interests at stake were involved in this iterative process and consequently developed a strong sense of ownership in the design that evolved. It was a process that demanded and built trust among the design team members and a willingness to tolerate frustration as earlier decisions were modified to incorporate the thinking of additional people. The end result of the planning was a rare event for the Bank—a truly interactive consultation process.

Consultation and briefings were essential to the planning process, especially at certain key decision points when strong differences of opinion emerged. When this occurred, decisions were delayed as long as possible to allow for discussion of the different views. Some examples are:

- Even prior to the planning for the workshop, the core team, task managers, and several field people were consulted before deciding on the 21 questions to be used for research discussions at the workshop.
- During its monthly meetings, the core team was consulted on the major decisions that needed to be made regarding the workshop's design.
- Several members of the core team took responsibility for consulting with authors and overseeing the writing of the papers.
- Task managers were contacted individually to elicit their views on the desired objectives and outputs for the workshop.
- Task managers and core team members were asked to nominate people to be invited to the workshop.
- Senior management was kept informed on the progress being made, and their suggestions were taken into consideration.
- The design team recruited facilitators to help design and conduct the workshop, which necessitated clarification of roles in advance. Facilitators were to help provide a neutral tone, using interactive techniques to help people actively listen to each other.
- The pros and cons of a large room versus small rooms for each working group were debated.

### The Workshop Itself

The participatory atmosphere throughout the workshop was influenced and maintained by several factors, including logistical arrangements, patterns of greeting, seating, and the openness displayed by the members of the core team, the sponsors, and the moderators. The flexibility in logistical design included movable furniture, roving microphones, and plenty of flip charts and markers. The night before the workshop began, a briefing and reception were organized at the hotel for the participants. The introductions revealed the wide variety of backgrounds and enormous wealth of experience.

The workshop's agenda had been carefully developed and decided in advance through consul-

tations with the interested parties, but there was flexibility to change it to meet the needs of the participants as the workshop progressed. On the first day, after opening remarks from Sven Sandstrom, Managing Director of the World Bank, and Gunilla Olsson, the SIDA representative, and a brief overview by Michael M. Cernea of the four background papers to be considered that day, the task of the first activity was to respond to the question "what should the Bank's role be in participatory development?" Through a process of writing on index cards, grouping similar ideas, and then drawing pictures of the ideas expressed, participants covered the walls with colorful cartoons that illustrated some of the basic issues. This activity served as an icebreaker, creating an informal atmosphere in which ideas could be expressed. The rest of the day was spent in small-group discussions about participation and development, followed by a report-out session and full plenary discussion. The day closed with feedback from the participants on their impressions of the first day, which the sponsors and facilitators took into consideration in adjusting the plan for the next day's activities.

The second day started with a plenary session that reviewed the issues that had come up during the previous day and offered a revised plan, based on the feedback from the participants. Both an NGO representative, Carolyn Long, and a representative from the core team, Larry Salmen, made presentations. Gunilla Olsson reflected on the second group of background papers that dealt with topics specific to the Bank and participation. Small group work was then again organized around those papers. At the end of the afternoon, there was another report out from the small groups and a follow-up discussion in plenary. The closing plenary session utilized a "Samoan circle," in which no one was in charge, and anyone who was stirred by the discussion was able to speak out. Five people sat around a table in the middle of several circles of chairs filled with all the participants. When those seated in the circles came up to the center table to speak, they exchanged chairs with those who had already spoken. This caused the participants to be responsible for the session's outcome and to present their views in an open dialogue.

The third day consisted of a half-day "public briefing" on the outcome of the two-day workshop. The briefing aimed at disseminating information and getting feedback from the broader development community in Washington. The

Bank's H-Building auditorium was filled beyond capacity.

### Logistics and Tone of the Workshop

The workshop was held in the H-Building auditorium, with chairs arranged in circles so the small groups could move about as needed. When the noise became too loud for two of the groups, they found their own adjoining rooms and worked there. Roving portable microphones were used for the plenary sessions to lend an informal atmosphere, and there were flip charts for each small group. A recorder was assigned to each group to take notes for the written workshop report, which was to be sent to all the participants.

The tone and atmosphere throughout the workshop emphasized the role of Bank staff as "listeners" to the different points of view being presented by participants. This listening tone, emphasized at the outset by the moderators and sponsors, was reinforced by participatory approaches:

- The plenary sessions were used to set the tone, summarize the papers, and report on the small group discussions. In this way, everyone could hear what everyone else was saying and share the ideas. The Samoan circle permitted a participatory discussion format in which people felt free to express their views even if they possessed no oratorical skills.

- The small group discussions provided the opportunity to encourage the participants to share their individual experiences and to voice their opinions on the issues. The ideas were recorded on the flip charts and later used in the report-out sessions. The professional facilitators guided the process and suggested new process directions as needed. They were caretakers of this process of dialogue, and they responded to individual group's needs. But they took no position on the substance or content under discussion. In this way, participants could focus on the content rather than worry about fairness or equity in the discussion.

### Lessons Learned

- Participatory methods work in workshop design when the objectives call for involvement, commitment, and consensus from the people involved.

- Planners must spend time and energy talking with people individually, if possible in ad-

vance of the meeting, to collect different points of view.

- Key interested parties must be brought in early in the design process so that they have a stake in the proceedings and results.

- Planners must be clear throughout about objectives and desired outputs so that interested parties agree on these points; the process may require several iterations.

- In the course of small group discussions, everyone needs a chance to speak.

- Planners must accept in advance that there will be resistance; they must look for and acknowledge it during the planning process and throughout the workshop sessions.

- Participation has to be sincere. Planners must be willing to accept changes as the need arises but remain clear about what is negotiable and what is not.

- The "leadership" of the sponsors and participants must be used strategically and purposefully to help achieve workshop objectives.

- Positive synergy and interaction between people involved in substance and those involved in process should be encouraged to allow for a joint partnership in planning and conducting the workshop.

- Informal discussions in small groups help to flatten hierarchies so that participants can exchange views more openly than usual.

### Conclusions

During the workshop, there was evidence that the participants changed their thinking in significant ways. Robert Chambers, from the Institute of Development Studies, Sussex, noted that "throughout the two days of discussion, there seemed to have been a significant shift in 'development paradigm' away from an emphasis on mechanistic 'things' (that is economics, engineering) to an emphasis on 'people' and 'judgment.' The terminology that permeated discussions began to include such words as 'listening,' 'humility,' 'transparency,' 'accountability,' and 'openness.'"

Although a formal evaluation was not conducted, the workshop was, by all accounts, very successful at educating and energizing Bank staff and managers on the subject of participation. Follow-up seminar discussions among senior managers and the work of the core team all demonstrated a significant increase in understanding of

the need for increased Bank commitment to participatory practices. The substantive success of the workshop, measured by the quantity and quality of the ideas generated and the participants' satisfaction, was due in large measure to the process of dialogue.

The workshop was a unique event in that it combined process and substance through participatory planning in advance, and used methods during the workshop to flatten hierarchies and stimulate open discussion in a safe environment. The active in-

volvement of moderators Sven Sandstrom and Alex Shakow demonstrated the interest of senior management in exploring new ideas, which is what the participants wanted. A small investment in up-front-process interactive design can greatly enhance productivity, as measured by quality and quantity of ideas, creativity of suggestions, and participant psychological and procedural satisfaction. Professional facilitators can increase group productivity and effective use of time.

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