

**Summary of Discussion with NGO Representatives from IDA Countries**  
**IDA Deputies Meeting, London, May 14, 1998**

During the IDA 12 Replenishment meeting in London on May 14, 1998, the Deputies met with a group of NGO representatives from developing countries. The NGO representatives were:

**Fazle Abed**, Bangladesh Rural Advancement Committee (BRAC)

**Charles Abugre**, Integrated Social Development Center (ISODEC), Ghana

**Mihir Bhatt**, Foundation for Public Interest, India

**Jocelyn Dow**, Red Thread Women's Development Project, Guyana

**Sheila Kawamara**, Ugandan Women's Network, Uganda

**Jalal Abdel Latif**, Inter-Africa Group, Ethiopia

**Ravi Pradhan**, Alliance for Energy, Nepal

**Edwin Zablah**, Federation of NGOs/FACS, Nicaragua

Following is a summary of their presentations and the discussion with the Deputies.

**Jocelyn Dow** took the chair on behalf of the NGOs and said that she appreciated that, by their presence at the Deputies meeting, the promise made by Mr. Wolfensohn to interact with civil society was being honored. She opened her presentation by referring to recent events in India, Mexico and Indonesia as being illustrative of the issues of conflict, environment and "how fragile social integration could be in the face of large economic pressures." This, she said, was why the NGOs saw a "very important and urgent need for the IDA replenishment to be real, great and as proactive as possible." She said that the NGOs sought to improve the growing partnership with the Bank and noted that the latter had taken on board a number of NGO criticisms over the years and put in place some important mechanisms for collaboration which needed to be deepened.

She noted that the issues that were raised by the NGOs at their meeting with the Deputies in 1995—participation, poverty reduction and good governance—were still very important, and added that, to the NGOs, good governance means a deepening of democratic processes in their countries. Commenting that the Bank was cautious in its approach to that process, she stressed the need for greater transparency and accountability by borrowing governments.

**Fazle Abed** sketched out recent economic and social progress in Bangladesh to which he said IDA and a number of donors had contributed. Bangladesh now has the capacity to absorb a larger IDA allocation, he said, noting that a large number of NGOs were now collaborating with programs funded by IDA and other bilateral and multilateral donors, with IDA playing the role of coordinator. But he went on to say that there was a large unfinished agenda in Bangladesh in the area of governance and corruption, and here, although the Bank does not see the issues from the same perspective as the NGOs, it is now trying to address them more effectively than before. He said that in a country like Bangladesh where democracy is not very strong, donors have a role to

play in pushing governments in ways that NGOs are not empowered to do.

The Bank, he argued, has too many economists and too few political scientists, anthropologists and sociologists, but despite these and other criticisms, there was always dialogue and debate with the Bank. He added that the Bank was now more open and that, under Mr. Wolfensohn, had become more sensitive to the needs and aspirations of civil society. "So I'm very hopeful that the Bank is going in the right direction, and I think you need to support it," he told the Deputies.

**Sheila Kawamara** expressed her appreciation for the Bank's efforts to involve civil society in participation but questioned whether NGOs received enough information or had the technical skills to engage with the Bank. She asked the Bank to define participation more clearly and to help the poor with project formulation, planning, implementation and management so that they can sustain IDA-financed projects. "Or are they white elephants in our countries?" she said. She complained that, while work on gender is mentioned in economic and sector work, it is not actually being put into practice. "For example," she said, "we don't feel that when consultations are going on, there is enough attention being given to gender-specific constraints that may inhibit women from participating in discussions or consultations." She also asked the Bank to provide more gender-disaggregated data.

**Mihir Bhatt** asked the deputies to maintain and, if possible, expand support for IDA. Arguing the case for maintaining India's level of funding, he said that there are more poor in India than anywhere else, there are more poverty reduction programs by state and national governments, a long working relationship between the Bank and the Indian government, and a varied and vibrant NGO community. He also suggested that India was a good place for IDA to experiment with innovative and creative projects. He urged the deputies to look through and beyond current events in India and see a country with a lot of poor people. Referring to states in South Asia choosing to spend money on arms rather than on the poor, he said, "it is because the climate is such, and that cannot be only resolved by India, but by the entire international community together."

Referring to the Strategic Compact's commitment to strengthen efforts to reach the poor, he said there is already some evidence of change at an operational level. He referred to the Social Development Unit in the New Delhi Office and said that he was encouraged that, rather than relying on one person to manage a project, there were now task teams which were able to bring in people to work on gender and social development. Within the social sector, he argued that funds should go into maternal and child protection and work security. He also said he would like to see IDA fund "community infrastructure development" where the community would have direct access to investments for its own infrastructure development. He went on to suggest that private municipal investments should be audited from a social sector point of view. He said that in its support for the private sector, the Bank focused too much on the corporate sector and should look at the cooperative sector as well.

He said that participation had increased in a lot of Bank projects but that under IDA12 this could go beyond NGOs to direct participation of the poor themselves. "The poor are the

stakeholders, the users, the managers and the owners of the projects themselves,” he said.

He concluded by referring to the Bank as a knowledge-creating organization that not only gives money but creates an intellectual framework. If IDA did not have enough resources, a lot of poverty-related intellectual work would not be done. “And, believe it or not, but a lot of the poverty-related agenda is set by the World Bank’s documents, through country assistance strategies, through economic and sector work, and through poverty assessments,” he said.

**Jalal Abdel Latif** started by noting that he wished that the NGOs had had access to some of the IDA documents which their northern colleagues had given them earlier on as this would have contributed to their input to the meeting. He pointed out that there is less access to information when you are from a recipient country.

Noting that 10 to 14 countries in Africa are emerging from war, he said that there was a close correlation between poverty and conflict. He said that groups that are not in power could be marginalized and asked who benefits from IDA funds when a country is emerging from war. He also questioned the sequencing and pace of reform when there are two tracks to be followed: the transition to an open market and democratization. “How could a former rebel suddenly become democratic, build a democracy, and suddenly sign a structural adjustment program?” he asked. “It’s a dilemma for the rebel group, for civil society and for the Bank and bilaterals.” The consultative process should include rebel groups who are currently waging war, he said. “Tomorrow Sudan may come up, Somalia may have a government.” In the case of Congo, he suggested that holding back assistance might lead to new conflict. He didn’t think IDA should create a new post-conflict funding window. More well-informed analysis needs to be done first.

He said he didn’t think that the Bank was in the best position to deal with questions of political governance. “Lending policies have been very closed, not open, not public. I don’t think that kind of organization has clear higher ground on credibility to deal with governance issues... what are the best other multinational organizations that will be in a better position to raise that issue?” he asked.

Turning to how IDA can best help the private sector, he noted that in Ethiopia, 90 percent of small farmers are private and need to be supported through market information, extension etc. He wondered whether IDA private sector guarantees would support power, telecommunication, satellites and so on. “I think if existing instruments like MIGA, IFC and those from the AfDB have not enabled Africa to attract private sector investment, what value added will be brought by this new instrument? So, better not use IDA money for that. We are for IDA to go more into the social sectors.”

He said there was a big need for IDA funds in Africa and noted that ESAF and SPA were competing for the same amount of taxpayer’s money. “But why I am in favor of the IDA replenishment, why I campaign for IDA, I think the engagement with you, the discussion with the World Bank, the change in the Bank has allowed a space for us to speak.”

**Ms. Dow** proposed that the group should take some questions from the deputies at this

point and have the other three NGO representatives take up issues as they arose. The first question was whether any of the group had been involved in consultations with civil society on country assistance strategies, and if so, how has it worked?

**Charles Abugre** said that during the second Ghana CAS preparation, the mission had been in town for several weeks doing sector negotiations when the NGOs were asked to sit in as observers on the final day of round table discussions with the government. They made some comments and said that if the process was not final, they would like to regroup with civil society and make an input to the discussion. "We were told yes, but there were only two or three weeks to make that input. So the NGOs did get together and make an input, and that was the end of the matter." He said the process varied from country to country. In some cases NGOs don't even have the benefit of a day or two. In some cases one or two organizations are selected; in others, it's a larger group.

He made two other points on the CAS process. In the Ghana CAS, there was a review of progress on poverty reduction, but this was not an operational trigger point. "That happens in a lot of CASSs, meaning you talk about, but cannot actually operationalize, it as a point of negotiation of influence." Secondly, he said, civil organizations in Ghana are becoming worried that the CAS which is an important mechanism for consultation but is, in the end, a Bank financing instrument, is starting to take over the planning process for the state. "It pre-empts the ability of a very young democratic process to do planning, to debate among themselves and generate a policy framework which it can own."

**Edwin Zablah** said that in Nicaragua, civil society felt like a ping-pong ball when the CAS was being formulated, and they wanted to give their point of view. In the end, after quite a bit of shuttling between the Bank and the Government, there was a very wide consultation with private sector, NGOs, unions and women's organizations. "Now we are waiting for the CAS document to be distributed among the people who were consulted."

**Mihir Bhatt** said the Bank had invited NGOs to Delhi to consult them on their operational experience for the water and sanitation sector study. They were also consulted twice for the CAS, once on the main 12-page document, and again for the gender aspects of the CAS. He said he would like future CASSs to include labor market analysis, especially for the informal sector.

**A Deputy** asked how representative the NGOs were of people in their countries when they commented on CASSs.

**Jocelyn Dow** said that she thought there should be a matrix for consultation that the Bank should use and it should not be up to whether the government agrees or not. At the minimum there should be the posting of a public notice saying, "the World Bank is here, we are about to develop a country program, we urge members of civil society to make contact with the Ministry of Finance." In some countries, she argued, programs are dealt with in the Ministry of Finance alone, and the cabinet may not be involved, much less NGOs.

**Fazle Abed** said that NGOs are not elected, but that his 18,000 staff at BRAC see 2.3 million members every week, and he didn't believe that any member of parliament had that kind of knowledge of the dynamics of poverty. Consulting people who are in touch with the grass roots will make CASs more responsive to the needs of poor people.

**Another Deputy** asked Jalal Abdel Latif which organizations he had in mind when he said the World Bank was not in the best position to suggest solutions to matters of governance.

**Jalal Abdel Latif** responded that new coordinated work needed to be done on political reform and that enough has been done on economic reform. He said he thought that governance should be looked into across the UN system, the Bank and the bilaterals. Some of the latter have much more depth and knowledge in this area than the multilaterals.

**Jocelyn Dow** said she had a different perspective. She saw the CAS as a governance issue: "is it not good governance for you to ensure that all sectors of society are informed and knowledgeable about financial arrangements that are binding?" She suggested that the broader NGO movement might prepare a paper on the mechanisms for deepening discussions between the Bank and civil society.

**Several Deputies** asked questions:

- Have any of the panel been directly involved in executing Bank projects and is there any evidence that changes the Bank is making are improving the effectiveness of Bank programs?
- Has anyone on the panel been involved in an Inspection Panel request? What is the availability of Inspection Panel reports (and management's action plans in response) to the people who bring the complaint?
- NGO participation in the CAS sounds relatively passive. Should NGOs create the first document and have the World Bank comment on it?

**Fazle Abed**, responding to the question on what has worked and not worked in NGOs' involvement in project implementation, said that the experience had been good when IDA funding had gone through a foundation for micro credits. Where the government is in full control, NGOs might be asked to bid, which is difficult for them to do because they are not going to make money in the process. In this situation, spurious NGOs might come up with the lowest cost bid, and the project would not meet its objectives.

**Charles Abugre** said that ownership of the CAS started by getting basic democratic mechanisms in place to formulate medium-term plans. On the basis of those plans, the Bank could present its agenda, and the two agendas could then be debated. Civil society could have input to the domestic process and the subsequent discussion with the Bank. This respects the need for domestic consensus building.

While he had not been directly involved in the Inspection Panel, colleagues who had been felt it was in danger of being undermined by the inability of complaining communities to have direct interaction with the process once the complaint had been filed. The inability to access information and the sense that the Panel is engaging in (or losing) internal battles was slowly eating away its energy and value. "It is important to reinforce this as an additional accountability mechanism."

**Ravi Pradhan**, noting that one of his coalition partners had filed the first Inspection Panel claim, said there is no due process, no access to information, to the Panel members, or to the analysis. Trying to restrict the eligibility to residents of a particular area would effectively rule out many of the claims. "And when we hear news that the Bank's Directors are thinking of abolishing the Inspection Panel or reducing its scope of operation, limited as it is, we are, of course, worried because we have no access to any source of alternative hearing." He said he would like to see its scope expanded.

**Edwin Zablah** complained that Nicaragua had used 48 percent of its IDA funds in the economic recovery program so less was being used on poverty alleviation. The government closed the National Development Bank and didn't open any alternative to provide credit for small and medium producers. There had not been any participation from civil society in this structural adjustment program. "Who is going to pay the social cost of the adjustment plan. We know it's necessary, but the social cost is too high... in a country that has been in a very intensive conflict for almost 12 years?"

**A Deputy** said he was surprised that structural adjustment had not been raised before and asked if the Bank had changed the way it handled these programs. He also wondered if any of the panel was involved in SAPRI.

**Charles Abugre** said he represented the Third World Network secretariat in Africa, which is the original center for the SAPRIs in Africa (Uganda, Zimbabwe, Mali and Ghana). The process was delayed for five months as issues relating to disclosure policy were resolved. Initial estimates of how much local mobilization would cost were too low. In addition, some technical methodological issues need to be addressed, and efforts are underway to involve bilaterals both for funding and for informal monitoring.

He said that the "political" approach to adjustment had changed with more attempts to listen and even to allow for opposition participation and to permit some debate. Nevertheless, in substance, very little had changed. ESAF mandated deficit reduction measures, which are outside the Bank's responsibility and are unchanged. For privatization, the emphasis is on speed rather than the quality.

**Jocelyn Dow** said that in Guyana the structural adjustment program had exacerbated racial tensions because there was pressure on public sector wages affecting Afro-Guyanese, and positive responses towards private sector development which affects Indo-Guyanese. She suggested that ethnicity should be considered when allocating resources. She added that she thought skills were lost through adjustment programs and that as Jamaica must be one of the countries that has experienced adjustment for the longest period, there should be a country

review to see what skills are left compared to when the programs started. She suggested that Nicaragua might also be reviewed. She suggested that accountability and participation could be enhanced through the development of National Advisory Boards which would involve trade unions, the public sector, members of the parliamentary opposition, and women's groups. She said, "this would force, for certain, a government response at the national level which is respectful of sovereignty but engages the government in another layer of accountability."

**A Deputy** asked what transparency they would like to see the Bank apply to NGOs to ensure that they are representative of poor people in order to work with them, and would they agree to have their accounts checked by people from the Bank?

**Mihir Bhatt** said that as his organization is a public charitable trust, anyone can pay five rupees to the charity commissioner and will be given a complete copy of their accounts. But he added that it was more important for them to be accountable to the people with whom they work.

**Fazle Abed** said his organization was accountable to the people they serve, to the government to whom they must provide audited accounts, and to the donors who give them money. He added that parliamentarians from donor countries come to see what they are doing in the field.

**A Deputy** asked whether the NGO representatives were independent of their governments.

**Jocelyn Dow** replied, "I don't believe that any of us sitting at the table is, as we would say, in bed with the government." She agreed that some NGOs, through force of circumstance, have a relationship with government in which they walk a very thin line, but the opening up of space in most societies has made this less of a problem.

**Charles Abugre** asked the deputies how they saw the tradeoffs between IDA, SPA and ESAF when allocating donor budgets.

**A Deputy** responded that they are all important and that in his country all three were funded from the same ministry and that his country can fulfill all its financing obligations.

In closing remarks **Jocelyn Dow** she said that the NGOs were becoming more and more fraternal with the Bank staff and management. They are still full of criticisms, but compared with the WTO which some of them were about to visit, the Bank looks like an extremely friendly institution. (In response to an earlier comment from a Deputy that he had expected the NGOs to be on the attack and had found them "very tame," she said "we are not going to hammer on the most proactive window (IDA).") She said the NGOs had come to the meeting in a spirit of partnership, not because they don't have serious criticisms of the Bank, but in recognition that there are not a lot of ideological or other options. "We must, collectively, make the Bank as people-centered as possible."

In thanking the NGO representatives, **Sven Sandström** highlighted the theme of not thinking in terms of donors and recipients. "We are," he said, "all working to reduce poverty,

and I think the discussion here showed it.” He said that what came out of this session was similar to what the Deputies had discussed earlier in the day, and in particular, the need for the CASs and the Bank’s assistance strategy to be grounded in each country. He said there was a need to work on making sure that the Bank’s work—the country officer’s perspective—is grounded in each country, while at the same time making sure that the institutional perspectives are looked at and discussed. He added that the idea of a National Advisory Board or similar instrument was very interesting.