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Participation in Practice

*The Experience of the World Bank
and Other Stakeholders*



*Edited by
Jennifer Rietbergen-McCracken*

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and Other Stakeholders*

*Edited by
Jennifer Rietbergen-McCracken*

*The World Bank
Washington, D.C.*

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Cover photograph: Pakistanis planting tree at village site. Photograph by Curt Carnemark, World Bank.

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Foreword

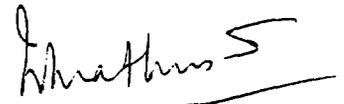
This volume is a summary of a select number of studies produced during a four-year learning process at the World Bank on participation. An earlier set of studies was published following the 1992 World Bank Workshop on Participatory Development. The initial studies are included in Discussion Paper 183 *Participatory Development and the World Bank: Potential Directions for Change*, 1992.

At a subsequent workshop, held at the World Bank in May 1994, approximately forty studies were produced, including those summarized in this book. These studies are a major output of the four-year Bankwide learning process on participatory development, which was led by Aubrey Williams of the Poverty and Social Policy Department. Learning about participation continues, and this awareness is being deepened

through current efforts to mainstream participation in the Bank's operational work.

By drawing on World Bank-financed projects and evidence from outside the context of World Bank work, the authors seek to answer important questions, such as, what are the costs, benefits, and limitations of participatory approaches? This volume highlights such findings and focuses on three major categories: (a) empirical studies on participation, (b) participation and the public sector, and (c) country case studies on participation.

I hope that you will take time to read these studies, and that they will stimulate participation practitioners, economists, noneconomic social scientists, and all readers interested in development issues to pursue some of these issues further.



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Abstract

This collection of papers on different aspects and examples of participatory development represents some of the many outputs from a recent Bankwide learning process on participatory development. Undertaken from 1991–1994 with generous assistance from the Swedish International Development Authority (SIDA), this learning

process investigated the experience of the World Bank and other agencies in supporting participation. The concept of participation is defined as "a process through which stakeholders influence and share control over development initiatives, decisions, and resources that affect them."

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The editor wishes to acknowledge the original work of the authors of the individual papers that are summarized in this Discussion Paper. These contributors are, in alphabetical order, Michael Azefor; Marilou Bradley; Thomas Carroll; John D. Clark; André Compaoré; Abdou Drabo; Jesko Hentschel; Malcolm Holmes; Conrad Kottak; Anirudh Krishna; Maria Clara Mejia; Della McMillan; Deepa Narayan; NIACONSULT (research team included Benjamin Bagadion and Ted I. Ehera with the assistance of Efren Rabacal and Aquilina Mandoza); P. V. Obeng; Samuel Paul; Fernand Sanou; Mary Schmidt; Karen Smith; Michel Sombié; Stephen Stern; and Sylvestre Ouedraogo.

Aubrey Williams played a key role in coordinating the studies, and other Bank staff gave generously of their time to help oversee production of the individual papers. They include Bhuvan Bhatnagar, Cynthia Cook, Surajit

Goswami, Sarwar Lateef, Richard Pollard, and Bill Partridge. Many other Bank staff kindly provided comments on the draft papers.

This collection of papers represents a collaborative effort, involving a large number of different institutions and individuals; without their openness and willingness to participate, this volume would not have been possible.

Richard M. Crum provided editorial assistance by thoroughly reviewing the draft manuscript. Editorial assistance and desktop publishing were provided by Ivy-Maria Tompkins, whose skills and patience are most appreciated.

Finally, the generous support of the Swedish International Development Authority (SIDA) throughout the World Bank participation learning process is acknowledged with thanks.

Acronyms and Abbreviations

CBO	Community-Based Organizations
CDR	Committee for the Defense of the Revolution
CFE	Mexican Federal Electricity Commission
CIDP	Communal Irrigation Development Project
CO	Community Organizers
ERP	Economic Recovery Program
ESW	Economic and Sector Work
FODECO	Community Development Fund
FONCODES	Peru Social Investment and Compensation Fund
FUMAC	Municipal Fund to Support Rural Communities
GTZ	German Agency for Technical Cooperation
IOSP	Irrigation Operation Support Project
MSW	Ministry of Social Welfare
NGO	Nongovernmental Organization
NIA	National Irrigation Administration
NIACONSULT	National Irrigation Administration Consultancy
NISIP	National Irrigation Systems Improvement Project
NRDP	Northeast Rural Development Program
O & M	Operations & Maintenance
PAC	Small Community-Based Projects within NRDP
PAMSCAD	Program of Action to Mitigate the Social Cost of Adjustment
PNDC	Provisional National Defense Council
PRONADER	National Rural Development Program
PSM	Public Sector Management
MEIP	Metropolitan Environmental Improvement Program
UEMC	Urban Environmental Management Committee
SAC	Structural Adjustment Credit
SAP	Structural Adjustment Program
SIDA	Swedish International Development Authority
SWM-RMC	Solid Waste Management and Resource Mobilization Center
TUC	Trades Union Congress
ZOPP	Objectives-Oriented Project Planning



Introduction and Overview

Jennifer Rietbergen-McCracken

Background

This collection of papers on different aspects and examples of participatory development represents some of the many outputs from a recent Bankwide learning process on participatory development. This learning process was undertaken from 1991 to 1994 with generous assistance from the Swedish International Development Authority (SIDA). The process investigated the experience of the World Bank and other agencies in supporting participation. The concept of participation is defined as “a process through which stakeholders influence and share control over development initiatives, decisions, and resources that affect them.”

Forty-five studies were commissioned to investigate participation-related issues and draw lessons from participatory projects financed by the World Bank. Answers were sought to many questions, including the following:

- How can the World Bank support participatory approaches in client countries and in Bank-financed projects?
- It is these questions that are addressed here. Their discussion draws on the combined findings from the studies selected for this volume. The papers are presented in summarized and edited form. Many of the studies took place more than two years ago, so substantial changes and new learning have occurred in some cases. It was not possible to reflect these recent changes in the summaries. Finally, the choice of case studies for this collection was made with a view to illustrating the lessons learned on the above questions; it was not based on whether the cases represented good practice examples of participatory initiatives.
- Following this introduction, the papers are organized in three sections:
- Part I. Empirical Studies on Participation* examines World Bank experience and covers a large number of projects.
- Part II. Participation and the Public Sector* provides ideas on how the public sector can better encourage participation and how, in turn, participatory approaches can enhance the performance of the public sector.
- Part III. Case Studies on Participation* from Africa, Asia, and Latin America focuses on individual project-level interventions where the World Bank has played a role in supporting participatory approaches.
- What does it cost the World Bank to support participation in Bank-supported operations?
 - What are the benefits of participation?
 - What factors enhance participation and what factors limit its successful implementation in Bank-supported operations?
 - How can a government encourage participation, and how does a government's relation with NGOs impact on participation?

For readers wishing to learn more about the participatory development learning process and its outputs, three other publications are recommended. Bhatnagar and Williams (1992)¹ present the preliminary findings from the learning process and include the participation-related experiences of a number of other development agencies. A publication of the Operations Policy Department, *The World Bank and Participation* (1994),² represents the culmination of the learning process. It includes the main lessons learned, as well as a Bankwide Action Plan on how to improve the Bank's work in participation. Finally, the *World Bank Participation Sourcebook* (1996),³ produced by the Environment Department's Social Policy Division, provides case studies of participatory Bank-supported operations and practical guidance on how to incorporate participatory approaches and methods into all types of Bank-assisted activities.

Lessons Learned

Costs and Benefits of Participation

One of the central questions addressed in the learning process concerned the costs and benefits associated with participatory development approaches. While individual case studies yielded some insights on this question, several empirical studies also examined this issue. A common difficulty faced by investigators of this cost-benefit question has been the considerable methodological problems involved in producing meaningful measurements. The following three problems illustrate the difficulties involved.

Defining projects as "participatory" or "nonparticipatory." Bank-financed operations can range from minimal levels of participation (which some do not consider to be participation at all)—such as

information-sharing and consultation—to more intensive participatory mechanisms, such as collaboration in implementation and decisionmaking. Thus, defining a project as "participatory" or "nonparticipatory" involves an arbitrary judgment. This problem is evident when trying to compare these two categories of projects. For example, Jesko Hentschel in his investigation of participation-related costs, attempted to compare participatory and nonparticipatory Bank-financed projects by (a) asking Task Managers of participatory projects to rate the costs of these operations against the likely costs of hypothetical nonparticipatory ones with similar characteristics (e.g., sector, size); and (b) statistically analyzing the costs of a set of operations identified as participatory versus a larger control group assumed to include a lower proportion of participatory projects. Both these methods leave the definition of "nonparticipatory" open to interpretation.

Deepa Narayan's study of participation benefits in rural water supply projects relied on two coders rating projects on a number of variables, including the extent of beneficiary participation. Again, even with safeguards in place to ensure consistency between the two coders, these participation ratings were subjective.

Quantifying costs. Hentschel's study examined only participation costs incurred by the World Bank, excluding any costs to the borrowing governments or other stakeholders. Even with this focus, measuring costs proved problematic. Participation-related costs in Bank-financed operations are more than just the sum of the costs of special events, such as workshops or consultations, or the costs of including participation experts on mission teams. But these are the kind of costs that can be identified and measured. In contrast are the less obvious costs, such as staff time spent in convincing skeptical governments to adopt a participatory approach, in meeting with local organizations, strengthening their capacity, and building links between stakeholders at different

¹ Bhuvan Bhatnagar and Aubrey Williams, 1992. *Participatory Development and the World Bank: Potential Directions for Change*, World Bank Discussion Paper No. 183, Washington, D.C.

² Operation Policy Department (OPR), 1994. *The World Bank and Participation*, The World Bank, Washington, D.C.

³ Environmentally Sustainable Development Department (ESD), 1996. *The World Bank Participation Sourcebook*, Washington, D.C.

levels. Measurements based only on discrete events or consultant costs are therefore likely to underestimate the true costs involved.

Measuring Bank staff and consultant time associated with participatory activities is further complicated by another fact: namely, time accounting procedures are often done in a way to mask costs of an expensive operation by transferring some of the time spent on it to other, lower cost projects.

Revealing benefits. The benefits of participation are even more difficult to identify than the costs, and are often impossible to quantify. This problem is most evident when examining *ongoing* projects, especially those still in the early stages of implementation; participation-related benefits may not be seen until several years of implementation have yielded evidence on, for example, the quality and likely sustainability of the project activities. And, because many of the Bank-supported participatory projects were at an early stage of implementation when the case studies were conducted, the findings on the benefits of participation are tentative. Narayan's study included the results of many projects funded by other agencies that had longer experiences with participation. Also, the study included only completed projects, so Narayan could examine the benefit question more fully.

Despite the above-mentioned problems in measuring the costs and benefits of participation, several clear indications emerge from the empirical research. Hentschel's evidence shows the following:

- Participatory projects cost the World Bank 10 percent to 15 percent more, on average, than nonparticipatory projects in terms of staff time spent during preparation and appraisal.
- Participatory projects require more staff time during the early stages of supervision, to help establish the participatory processes.
- Overall, the elapsed time, from identification to the start of disbursements, was *not* significantly longer for participatory projects compared to nonparticipatory ones. In some cases, the

participatory projects were actually quicker to disburse, due to increased stakeholder commitment and better project performance.

Narayan's research reveals the following:

- Beneficiary participation is the single most important factor in determining overall quality of project implementation.
- To be effective, beneficiary participation needs to be incorporated in all stages of the project cycle, not injected after the main decisions on local-level project activities have been taken by other stakeholders.
- Beneficiary participation was not found to be a significant factor in determining the quality of *macro*-project design; the involvement of other stakeholders and institutional and technical factors are the more important determining factors.

Mary Schmidt's evidence, drawn from forty-eight Bank-supported projects and more anecdotal in nature, shows the following:

- The participation costs incurred by beneficiaries and borrowers can be considerable and can severely hamper the successful implementation of the participatory initiative, if not adequately addressed.
- There are clear examples of participation in Bank-financed operations leading to increased project effectiveness, increased efficiency, strengthened capacity of community-level groups, and empowerment of beneficiaries.

Critical Factors Affecting Participation

The empirical studies of Narayan and Schmidt identify a number of factors that have either enhanced or hindered the success of participatory initiatives. Their findings are echoed in a number of the individual case studies where one or more of these factors has proved influential. The following are some of the factors that have limited participation.

Lack of government commitment to adopting a participatory approach. In several of the projects studied, the proposed participatory approach met with resistance from government officials involved, and in a few cases this problem remained unresolved and limited the success of the implementation of the approach. In the case of the Ecuador National Rural Development Project, Thomas Carroll describes how the government's initial interest in using a participatory approach was based on seeking financial and labor contributions from beneficiaries, rather than on achieving more meaningful participation. Furthermore, commitment of government officials within the implementing agency was weak because this agency had had little part in the preparation work and had little experience with participatory approaches. When elections brought about a change of leadership in this agency during implementation, those high-ranking officials who had been supportive of the participatory approach were replaced by a succession of more traditionally minded ministers.

Even when central government staff are committed to a participatory approach, there may not be the same commitment at the local level. Conrad Kottak *et al*, studying the Northeast Rural Development Program in Brazil, where state-level commitment to the participatory approach was high, cite one example of a municipal-level politician; he had gotten rich as a middleman and felt threatened by the formation of a local association whose goal was to regulate the sale of local products at the expense of middlemen. In response, the politician tried to stir up trouble for the association by accusing its members of having communist objectives.

Unwillingness of project officials to give up control over project activities and decisions. Linked to the above factor, the commitment of project-level officials may be limited by their resistance to having to share control with beneficiaries and other stakeholders. For example, the participation of beneficiaries in the management of health programs in Benin and Guinea (as described by Azefor and Bradley) was accompanied by decentralization of decisionmaking within the Ministry of Health. However, resistance

set in as some of the traditional roles of the Central Ministry staff were being transferred to local-level staff and community health management committees. This resistance revealed itself in the nonimplementation of the planned training of these community-level committees, and it significantly limited the capacity of these committees to perform their community outreach functions.

Lack of incentives and skills among project staff to encourage them to adopt a participatory approach. Clearly, if project staff are not provided with the necessary skills and incentives to work in a participatory way with local communities, their willingness and ability to do so will be severely hampered. Examining examples of community management of rural water supply in Indonesia, Smith contrasts the position of government and NGO fieldworkers. While NGO staff can work in a flexible, responsive manner, and are better trained in facilitating community action, government staff are often less qualified and need to cover more communities. Thus, they have less opportunity to develop participatory forms of working; their decisions therefore tend to be taken in a more top-down manner, involving only the village leader or a small group of the elite members of the community. Furthermore, the standard government system for planning, transferring, and accounting for funds means that government personnel do not have the time, authority, or resources to modify the program to suit the changing needs of the community.

Limited capacity of local-level organizations and insufficient investment in community capacity building. Weak financial and managerial capacity of local-level organizations and a lack of attention to capacity building of these organizations have limited several of the participatory projects studied. Kottak *et al* list seven problems commonly facing community associations and cooperatives in Brazil, including precarious financial support and a lack of participation among group members. In the participatory programs of the Philippines National Irrigation Systems (as reported by NIACONSULT), capacity building of farmer-run irrigation associations involved passing on to them the responsibility for operations and maintenance (O&M) and user-fee collection. This approach was

directly undermined by the establishment of targets for the government irrigation agency. Limits were set on the O&M expenses the government should incur and the amount of user fees it should collect each year. The government was involved because these targets could not be met when these responsibilities were shared with or handed over altogether to farmers.

Participation started too late. If participation is not built in to the original project design, with input from key stakeholders, it will be more difficult to try and inject a participatory approach later in the project cycle. This outcome was the case in the First Urban Project in Burkina Faso, as described by Della McMillan *et al.* In this case, project planners were so convinced of the model they had developed in an earlier pilot and were in such a hurry to launch the new project quickly that they did not involve the beneficiaries in the project preparation. The effects were very evident. The planners soon became embroiled in a series of misunderstandings and disputes with the beneficiaries and other stakeholders. The result was long delays and technological changes that dramatically increased the total costs of the project.

Mistrust between government and local-level stakeholders. In many instances, the relationship between beneficiaries, NGOs, and government (and in some cases, the World Bank) has been, at least initially, based on mistrust and suspicion. If adequate time and effort is not invested in resolving these problems and differences of opinion, the participation of all stakeholders will be severely limited. Stephen Stern reports that in the early stages of a waste management program in Nepal, there was a high level of mistrust among communities in the ability and commitment of government to implement a functional waste management system. The mistrust was based on previous failures experienced by communities. To overcome this mistrust, project staff delayed a planned baseline survey of sanitation problems. Instead they worked with community groups to organize several cleanup activities to demonstrate immediate results.

A more serious level of mistrust and suspicion between government and local people was found in the Zimapan Hydroelectric Project in Mexico, reported by Maria Mejia *et al.* Prior to this project, the implementing agency, Mexican Federal Electricity Commission (CFE), had been accustomed to working in a nonparticipatory manner, with no involvement of the people who had to be resettled as a consequence of the hydroelectric schemes. Indeed, CFE officials viewed strikes, protests, and other forms of resistance by the affected people as a necessary cost of doing business. It took intensive negotiations and insistence by Bank staff to reorient the approach of CFE to build more positive relations with the affected people.

Conversely, those factors that have proved important contributors to the success of participatory initiatives, according to Narayan's study and backed up by evidence from the case studies, include the following:

- *A relatively autonomous implementation agency not hindered by the need to coordinate with a large number of other agencies*

The importance of this factor is often most obvious when it is absent. One of the key problems cited by Carroll in the Ecuador National Rural Development Program was the division of implementation responsibilities between two Ministries and six semi-independent agencies. Each was responsible for one or more of the eleven components of complex project. With poor coordination between these agencies, and little decentralization of their responsibilities, the project encountered considerable difficulties in making the planned participatory approach a reality. And McMillan *et al.* report that the ability of community organizations to take responsibility for managing local-level health services in Burkina Faso was reduced by Ministry of Finance laws that necessitated central management of all financial receipts.

- *A client-oriented implementation agency*

Interestingly, one of the best examples of a client-oriented implementation agency, in the cases studied, comes from a case where the agency had evolved a participatory approach prior to any involvement of the World Bank. The agency in question, the National Irrigation Administration (NIA) of the Philippines, had developed its farmer-oriented approach over a period of fifteen to twenty years, from an initial top-down "extension-based" approach. By the time World Bank support was made available to NIA, its staff were already dedicated to working in a participatory way with farmers and farmer organizations.

- *Commitment on the part of beneficiaries, as expressed by a demand for the project's goods or services prior to implementation.*

Where a project seeks to address a priority need, and is clearly felt by beneficiaries to be able to improve their situation, the prospects of achieving participation by these beneficiaries will be greater than they would otherwise be. This commitment may be expressed by the beneficiaries initiating action to increase their involvement. So it was in the Philippines case where farmers began to request NIA to negotiate with them about the possible transfer of O&M responsibilities to farmer-run irrigation associations. In other cases, commitment may be measured in terms of a willingness to contribute financially to the project activities. In the case of the waste management program in Nepal, Stern reports that once communities saw the benefits of community-managed systems, 80 percent of the beneficiaries expressed a willingness to pay service charges to continue these activities.

- *Well-functioning beneficiary organizations, with internal structures and procedures favoring participation by all members*

Participatory approaches rely not only on positive relations between stakeholder groups, but also on participatory modes of operation within organized stakeholder groups. In the case of

beneficiary groups, a great range of approaches have been found, from those dominated by one leader, to those where all members are given the opportunity to participate in decisionmaking. In the Brazil Northeast Rural Development Program, Conrad Kottak reports that the project has more chance of success where local organizations are already active and are operating in a participatory manner. A common weakness of the community organizations in the area is a lack of involvement of women, even though most association leaders feel that women are more committed to these organizations (and devote more time to participating) than men. In the Philippines, the farmer-run irrigation associations were provided with extensive training and given legal status by registering them with the government; these steps enabled the men to do business with government and other bodies.

Participation and the Public Sector

Three papers in this volume address the role of the public sector in supporting participatory approaches, and in turn the studies show how participatory approaches can improve the performance of the public sector. As Malcolm Holmes and Anirudh Krishna state, even in many countries as the public sector faces financial problems and has limited capacity to reach the local level, government still plays a key role in shaping the environment within which local-level development initiatives take place. Whether they are carried out by communities, NGOs, the private sector, or public agencies doesn't matter. They define the necessary components of an "enabling environment" that makes it possible for the public sector to support the participation of other stakeholders. Such participation includes (a) full access to information on policy issues and development plans, (b) freedom of association to permit the discussion of issues by all interested groups, and (c) regular meetings where elected officials can receive feedback from local-level stakeholders. John Clark focuses on the particular aspects of an enabling environment that can encourage NGO participation. He lists these as (a) regulations, laws, and bureaucratic procedures that encourage rather than hamper NGO activity, (b) coordination

with NGOs on particular programs, (c) involvement of NGOs in fostering public debate and helping formulate policy, and (d) the means to make available appropriate mechanisms for funding NGOs and their programs.

At the same time, as Holmes and Krishna point out, the use of participatory approaches can help broaden the consensus for reform of the institutional framework, therefore facilitating the development of an enabling environment. Samuel Paul details numerous practical ways in which participatory approaches can help strengthen one important aspect of an enabling environment—namely, the accountability of public sector agencies. Some of the examples he quotes, where macro-level participation mechanisms have been used successfully for this purpose, include (a) the consultations with a wide range of stakeholders (industrialists, labor leaders, academics, agriculturists, and other groups) by Indian Finance Ministry officials in the budget-making process; and (b) the establishment of a Division of Public Feedback within the government of Singapore to receive systematic feedback and invite interest groups to meet senior officials in public hearings on particular topics. Similar approaches have been used at the micro-level; they include (a) a users survey conducted in Bangalore to receive and report on residents' perceptions of the performance of the city's public utilities, and (b) the establishment of a system in Indonesia where water-user groups are responsible for collecting user fees on behalf of the farmers and paying these fees to government. This approach has motivated user groups to be more vocal and demanding in their dealings with the government authorities concerned. Such efforts have resulted in a more responsive, accountable system overall.

Holmes and Krishna call for more attention to such institutional reform issues as part of development assistance. They cite many cases where the World Bank has begun to experiment with initiatives at both the project and policy level to help

institutionalize participatory approaches within the work of the public sector.

The Role of the World Bank in Supporting Participation

Many project case studies illustrate the different roles the World Bank has played in the use of participatory approaches by borrowing governments. The Bank's level of influence has ranged from (a) taking a back seat in a government-led initiative; (b) building on previous or existing initiatives undertaken by the borrowing government or other agencies; to (c) actively pursuing and insisting on the use of participatory approaches. An example of each of these roles follows.

The participatory approach adopted in the discussions on the first Structural Adjustment Program (SAP) in Ghana was a Ghanaian initiative; it was the idea of the then-Chairman of the Committee of Secretaries (equivalent to Prime Minister). This high-ranking official, P.V. Obeng (author of the case study), arranged a week-long series of workshops with a range of stakeholders. They included key economic ministers and civil servants, trade union and private sector representatives, and representatives of the public. These stakeholders discussed the different components of the SAP with a World Bank mission team. In this approach, the World Bank mission team had to modify their usual approach to negotiation and include many more stakeholder groups than would normally be involved. The Resident Mission played an important role in helping coordinate the workshops and in ensuring follow-up after the mission team left.

Several cases in Burkina Faso illustrate how World Bank support has built on existing or previous initiatives. For example, in the health sector, international NGOs were responsible for the initial rural community health programs in the country, and the World Bank then helped develop the NGO models on a large scale. Similarly in the urban development sector, a number of participatory initiatives

funded by UNDP and the Dutch government have been expanded with World Bank assistance.

The World Bank played a much more proactive role in the Zimapán hydroelectric project in Mexico. Here the Bank staff involved in the preparation missions faced difficult negotiations and had to be insistent with the government implementing agency officials, who had been used to undertaking resettlement work in a top-down, non-participatory manner. Finally, legal agreements were signed with the agency, including required changes in its overall structure and social policy to allow for adequate community participation. The World Bank staff involved in the project continued to promote a participatory approach by organizing special meetings with the different stakeholder groups, meeting with the affected communities during missions, and intensively supervising the resettlement process. Throughout the process the Bank staff provided suggestions and solutions.

Finally, it should be pointed out that World Bank involvement has sometimes had a negative impact on participatory initiatives in client countries. An adverse result is often due to a country's institutional requirements and procedures that create conditions un conducive to the operation of participatory mechanisms. This was the case, for example, in support given to the National Irrigation Administration (NIA) in the Philippines.

As stated above, NIA had evolved a successful participatory approach to irrigation development prior to receiving World Bank assistance. The case study highlights a number of ways in which the World Bank support had a positive influence (for example, by giving credibility to the farmer-oriented work of NIA and encouraging further assistance from other donors), but evaluates the overall impact of the World Bank's involvement as negative. This unfortunate situation arose partly because the World Bank loans supported only some of the features of NIA's established participatory program, and so the careful sequencing and links between all the features of this tried-and-tested program were lost.

One important omission, rectified in subsequent loan operations, was support for the community organizers. The early World Bank loans provided only for their training, not for their salaries or per diems. Thus, the catalytic functions of these local-level facilitators were greatly undermined and the project as a whole suffered. Furthermore, the establishment of targets for the performance of NIA directly undermined the efforts of this agency to hand over responsibilities for part of its work to the farmer-run irrigation associations.

Part I. Empirical Studies on Participation

2

The Contribution of People's Participation: Evidence from 121 Rural Water Supply Projects

*Deepa Narayan*¹

Introduction

Much has been written about the importance of people's participation in achieving sustainable development and community empowerment. But there is a lack of quantitative evidence to answer these three basic questions: Does beneficiary participation in decisionmaking contribute substantially to project effectiveness? What beneficiary and agency characteristics foster beneficiary participation? How can participation be encouraged through policy and project design?

To answer these questions, an in-depth study was undertaken. The study was based on evaluation reports of 121 completed rural water projects in 49 Asian, African and Latin American countries, supported by 18 international agencies. The projects included both large and small-scale operations; they use a range of technologies from simple spring captures to multicomunity pipe systems with pumping stations. Almost half the projects included some sanitation and primary health-care activities.

The results are based on quantitative and systematic qualitative analyses of data across projects and within the lifetime of individual projects, sometimes a decade or more. The quantitative data are based on content analysis of each report on 149 variables by two independent coders. From the preliminary analyses, a model was developed to apply the collective action paradigm to management

of rural water as a common property resource. A number of sociological studies related to the projects were also reviewed. Additionally, the twenty most "effective" projects were analyzed for their key design features.

Contribution of Beneficiary Participation

For the purpose of the study, beneficiary participation was defined as a voluntary process used by people, including the disadvantaged, to influence or control the project decisions that affect them. Only 21 percent of the projects scored high in overall beneficiary participation (involving both men and women) and 17 percent scored high in women's participation. Twelve measures were used to quantify the levels of participation across different stages of the project cycle and the gender dimensions. To move beyond correlations (associations) to causality, multivariate regression analysis was used to test the collective action framework.

The results establish that beneficiary participation was a significant contributor to overall project effectiveness, even after controlling for eighteen different direct and indirect determinants of outcomes. Beneficiary participation also contributed significantly to the proportion of water systems in good condition, overall economic benefits, percentage of target population reached, and environmental benefits. Beneficiary participation also contributed to achieving equality of access to facilities, although to a lesser degree. The only

¹ This is a summary of the original paper by the author.

other significant factor was the availability of spare parts and repair technicians. However as project experiences attest, without beneficiary interest, sustainability is not achieved even when spare parts and repair technicians are available. These factors make a difference only when there is community interest and demand for these services. Conversely, it is equally true that participation cannot correct for all problems, including lack of spare parts.

The analysis reveals that beneficiary participation was the single most important factor contributing to individual and community empowerment. It also resulted in community members acquiring new water-related and organizational skills. Finally, it strengthened community organizations that went on to undertake other development activities.

Tracing Causal Paths

It was hypothesized that beneficiary participation affects final outcomes by affecting the quality of outcomes at each of the different stages of a project cycle: macroproject design, implementation, construction, and maintenance. A series of multivariate regression analyses resulted in the following three major findings:

- Beneficiary participation was not a significant factor in determining the quality of macroproject design.
- Key factors affecting design quality were (a) paying attention to make sure that spare parts and technicians were available, and (b) minimizing complexity of project design, as measured by the number of different organizations and activities that had to be coordinated. The direct involvement of large numbers of beneficiaries in determining overall project design did not appear to be critical. Stakeholder involvement, indirect methods of involvement through social analysis and consultation, and incorporating experience of other projects may be more important to designing beneficiary responsive projects.

- Beneficiary participation was the single most important factor in determining overall quality of implementation.
- Whether water projects are conceptualized as consisting of subprojects or not, they are implemented as such. Thus, a large project can consist of 1,000 water systems designed in 1,000 communities. At this subproject level, the single most important factor in determining success was community involvement in decisionmaking.
- The impact of overall beneficiary participation throughout the project cycle was greater than participation during any single stage.
- To be effective, beneficiary participation should be viewed as an organic, evolving process rather than something to be injected at later stages. Using the wrong approach explains the poor results of the “handing over” strategy employed by many public sector agencies. They design and build systems without beneficiary consultation or involvement and then expect communities to be responsible for operation and maintenance.

In-depth Qualitative Analysis

Statistics tell only part of the story. To understand further how participation worked in practice and to look at agency factors not coded, individual projects were analyzed in depth. The following four findings are worth highlighting:

- The forms of effective participation varied tremendously, ranging from representational to domination by leaders and elites, from direct involvement in construction to supervision of hired contractors, and from direct involvement in operations and maintenance (O&M) to contracting out O&M to private agencies.
- Effective participation did not result when agencies retained control over implementation details (i.e., the what, when, how, and where of participation). When there are no incentives for beneficiaries to participate and when all major decisions have already been made

by agencies, participation does not occur on a large scale.

- While NGOs' projects represented 15 percent of the total sample, they made up half of the success sample (the twenty most effective projects). Of these twenty projects, over 90 percent were implemented by NGOs or government agencies other than public engineering departments. Communities trusted locally based organizations the most, followed by local development workers, intermediary NGOs, and local government agencies.
- Physical infrastructure and related technological issues have been addressed more effectively than issues relating to the *social* organization necessary to manage the physical works, such as identification of the key actors, their social organization and leadership, and their interest and capacity to manage physical infrastructure.

Factors Determining Beneficiary Participation

The problem with modeling participation is that participatory processes are nonlinear and cyclical. The process interacts with intermediate outcomes and in turn influences the process. For programs and policymakers wanting to *induce* participation, it is helpful to identify the critical elements of the participation process, as well as determinants of the eventual participation levels of beneficiaries. These relationships were also analyzed through multivariate regression analysis.

The intermediate participation elements most highly correlated with overall levels of beneficiary participation were local ownership and control; user investment in capital costs, agency responsiveness to feedback, and how much users paid attention to (i.e., learned from) agency workers.

Beneficiary participation is determined by characteristics of both the beneficiaries and the agency or project. The analysis found that the two key beneficiary characteristics determining participation were (a) commitment prior to construction or "demand," and (b) the degree of organization of beneficiaries.

When beneficiaries made a *commitment* prior to project implementation, this commitment translated into their involvement in project activities, including investment in capital and recurrent costs. Although methods varied, successful projects employed some process of community self-selection, based on resource mobilization and completion of a series of tasks prior to including the community in the project. However, when agencies assumed demand based on water scarcity or water quality or other "objective criteria," projects floundered.

The forms of beneficiary *organization* varied even within communities, but they were characterized by internalized and membership-enforced rules and regulations. All successful groups not only had rules that they enforced but also had special rules allowing access by the poorest and most destitute people based on some labor exchanges. Successful groups were either newly created, incorporating traditional principles of organization, or were built on indigenous organizations. This outcome maximized operation of trust, loyalty, and reciprocity—all necessary to keep transactional costs low for both beneficiaries and agencies.

The two most important *agency characteristics* were (a) the relative autonomy of the agency, and (b) its degree of client orientation. It is important to assign responsibility to a relatively autonomous agency that is able to pursue its mission without the need to coordinate with a host of other agencies. Also the following three client-orientation strategies emerged as especially important:

- making beneficiary participation a goal to be monitored and evaluated, and rewarding staff;
- utilizing local knowledge through social analysis in design and implementation; and
- investing in capacity building of local people, including providing information to help people make choices and allowing time for communities to organize themselves.

The in-depth qualitative analysis revealed that the three most common problems experienced in

projects, even among agencies seeking to elicit participation, were

- an unwillingness to give up control over implementation details;
- a lack of incentives for staff to support client orientation through new institutional arrangements; and
- an unwillingness to invest resources in community capacity building.

Gender Issues

Only 17 percent of the projects achieved high levels of women's involvement. While the measures of women's participation and overall participation were correlated, achieving high levels of beneficiary participation did not necessarily result in high levels of women's participation. The main reason behind this outcome was the fact that determinants of women's participation were different from those of overall beneficiary participation. Women in rural areas face many constraints to participating in development projects; unless women's

involvement was specifically targeted and resources invested, participation did not happen.

Inducing Participation

Beneficiary participation is a strong contributor to rural water project effectiveness and maintenance, as well as to individual, organizational, and community empowerment. The main lessons emerging from this extensive project review are that creating sustainable rural water services requires new institutional arrangements to ensure that

- beneficiary demand and client orientation are the main criteria guiding policy reform, project design, and institutional incentives;
- creation of social organization to manage and sustain the physical infrastructure is central to the strategy;
- the forms, intensity, and details of participation are not standardized but allowed to vary depending on the objectives and the local context; and
- local participation and sustainability of services are the key evaluation criteria.

Does Participation Cost the World Bank More? Emerging Evidence

*Jesko Hentschel*¹

Introduction

According to advocates of participation, there are distinct advantages to involving beneficiaries and stakeholders in the preparation and implementation of investment projects supported by the World Bank. Participation increases the project benefits by improving project performance, by enhancing project sustainability, and by developing the skills of stakeholders. These benefits have to be weighed against potential costs of participation to the beneficiaries and to the borrower. At the same time, costs and benefits also arise for the creditor, the World Bank. Potential benefits to the World Bank include an intensified Bank-country dialogue with improved Bank-borrower relations, easier follow-up projects, and integration of otherwise skeptical national and international groups in the development effort.

Arguments can be made that participation increases or decreases the cost for the Bank to prepare and supervise a given lending volume. Costs of participation will mount for the Bank if specialists are brought on board, if more time is needed for in-country dialogue, or if the supervision intensity increases due to the integration of beneficiaries and stakeholders into the decision-making process of project implementation. The reverse argument can be made as well, however. The involvement of affected groups and other stakeholders during project planning can lead to a more self-propelled process that enables the borrowing

country to be more capable of defining a program with less input from Bank staff. Similarly, with consensus reached in the preparation phase of a project, potential problems can be resolved upstream, and less supervision effort by Bank staff may be required to ensure satisfactory project performance.

The purpose of this paper is to examine (a) the kinds of costs incurred by the Bank in participatory project preparation and supervision, and (b) the significance of such incremental participation-related costs.

The interpretation of costs depends on the Bank's overall institutional objective. This study analyzed costs in terms of the incremental amount of resources invested in the preparation, appraisal, negotiation, and supervision of participatory projects when compared to nonparticipatory projects. This interpretation is appropriate if the World Bank represents an institution that minimizes its own resource costs for a given lending volume, regardless of project quality. However, if the institutional objective of the Bank is to finance sustainable, high-quality investment projects, then it would seek to minimize its own costs for a certain lending volume *given a certain project quality and sustainability*. If participatory methods ensure an improvement in these characteristics, their costs would then have to be compared to alternative means of achieving the same project quality. Participatory approaches might increase direct costs only when measured against a certain

¹ This is a summary of the original paper by this author.

lending volume. But they can turn out to be the least-cost solution when putting project quality and sustainable development first.

Methodology

A two-pronged approach was taken to assess the direct, static costs of participatory methods for the Bank. First, interviews with Bank staff of twenty-one participatory projects were evaluated based on what staff considered the incremental costs of participation. All the projects selected included participation by beneficiaries or other stakeholders in decisionmaking during project implementation. Seventeen of the projects were active lending operations, while four were not yet implemented at the time of analysis. Staff were asked to compare the overall costs of preparation and supervision of the participatory project to a hypothetical nonparticipatory project employing a conventional top-down planning approach. The interviews were guided by a standard questionnaire, including the following questions:

- What kind of cost categories (salary budget versus travel budget) were affected by participation?
- Were participation specialists included in the team and how many staff weeks did they contribute?
- How were the staff weeks of other, nonspecialist team members affected by the participatory nature of the project (distinguishing between work in the field and at headquarters)?
- Did delays occur during project preparation or implementation that could be linked to stakeholder or beneficiary participation?
- Was the work pressure on staff affected?

These interviews dealt only with the cost implications for the Bank's budget, excluding any grants or trust funds used to finance consultants or workshops. They also excluded any costs arising for the borrowing country (e.g., under a Project Preparation Fund or by incurring expenses under an ongoing project).

Second, standard statistics were computed for a larger group of participatory projects and compared to a Bankwide control group of projects. The forty-two participatory projects chosen for this comparison were mostly in the agriculture sector, but they also included lending for population and health, infrastructure and energy, and a Structural Adjustment Operation. The control group consisted of active or completed Bank-supported operations in a similar set of sectors and countries. It was impossible to assess the level of participation, but it is likely that the proportion of participatory projects in the control group was very small.

The following three questions were posed in this comparative analysis:

- How do average staff weeks financed out of the normal salary budget of the Bank (excluding Trust Funds) compare between the group of participatory projects and the control group?
- How do the two groups compare on the use of Trust Funds and grants?
- Is the elapsed time between different stages in the project cycle similar between the two groups?

A word of caution is necessary here. "Outliers" (i.e., operations that for a variety of reasons require extremely high or low input from staff) can strongly influence the computations for the participatory projects. It is further questionable whether "average" Bank project statistics carry a meaning for comparison purposes, since every investment operation is unique in respect to its objective, stakeholders, and policy environment. Third, charging staff and consultants' time against a particular project—as done in the Bank's Management Information System (from which the data for this comparative study were obtained)—is not always done in a precise way. It is common knowledge that high-cost operations are sometimes covered up by "diversifying" staff time (i.e., by charging staff and consultants' time against other, lower-cost projects).

Incremental Costs in the Twenty-One Participatory Projects

In addressing the above-mentioned questions, this part of the study looked at the following two phases of the project cycle: (a) from lending development to Board presentation, and (b) during supervision.

From Lending Development to Board Presentation

- *Cost categories.* Increased salary expenses for staff and consultants—due to increased staff weeks spent at this stage of the project—emerged as the major incremental cost component associated with participatory projects. Other categories, such as outlays for workshops or surveys were not so significant. The travel budget was not affected in nineteen of the cases because Task Managers did not schedule additional missions.
- *Inclusion of participation experts.* Salary increases were mainly caused by inclusion of participation specialists, but these increases were modest. Fifteen of the projects relied on such specialists as sociologists, anthropologists, or community experts to facilitate the participatory process in the field. The specialists usually added less than 10 percent to the total amount of staff weeks used during this stage of the project.
- *Fieldwork of nonspecialist staff.* Participation did not influence the number of staff weeks project staff (other than the participation specialists) required in the field in the majority of participatory projects examined. However, participation did change the dynamics of project development. In a number of the projects studied (including the Chad Education V Project and the Yemen Education Sector Project) the participatory approach involved a more intensive dialogue between the Bank and the borrower during project preparation, including national and regional workshops. These workshops led to greater local ownership of the project, which facilitated the work of subsequent Bank missions. Thus, the overall impact of the participatory

methodology on the time in the field was negligible. Six of the projects *did* require a higher staff-week input in the field, which could be linked to the participatory process. Several contributing factors were mentioned by the staff, including extra time required to convince central or local government counterparts to buy into a nontraditional project approach (as in the El Salvador Sites and Services Project, where a nongovernmental organization implemented a low-income housing project, or as in the Egypt Matruh Resource Management Project) additional time required to build mechanisms of cooperation and dialogue between different stakeholder groups during project preparation.

- *Work at headquarters of nonspecialist staff.* Overall, staff did not judge participation to affect the amount of staff weeks necessary to prepare a project at headquarters. According to the staff, sixteen of the projects were not affected in this respect, two required more staff weeks, and three required fewer staff weeks until Board presentation.
- *Delays in preparation due to participation.* In all but one project, participation did not cause delays from the time the project was identified to its presentation to the Board.
- *Work pressure.* Interviews revealed that the work pressure on project staff increased due to the participatory approach. Specifically, fieldwork was judged to be more intense because Bank staff had to respond to more actors who entered the decisionmaking process. Furthermore, participation made the preparation process less predictable, and staff felt that their work programs needed to be designed in a more flexible way to reflect the special nature of the participatory process.

Supervision

Supervision had started for seventeen of the twenty-one projects when the interviews were conducted. For these projects, the same questions were addressed for this stage of the project cycle.

- *Cost categories.* The salary outlays for staff and consultants emerged again as the cost category most influenced by participation. Financing of roundtables or conferences during implementation was borne by the borrower. Expenses from the travel budget were larger during supervision than during the earlier phase of the projects. Supervision Task Managers for five of the seventeen projects underway stated that additional missions were necessary; they also found that the higher supervision effort could not be combined with other travel plans.
- *Participation specialists.* Seven of the projects employed participation specialists as part of the Bank supervision team in the field, and four cases further included these kinds of specialists in headquarters-based supervision work. However, the reliance on experts played a less significant role during project supervision than it had done during preparation. Participation specialists accounted for an average of about 10 percent of the total supervision staff weeks in the field and at headquarters.
- *Fieldwork of nonspecialist staff.* No clear trend was observed as to how participation influenced the number of supervision staff weeks per year in the field. Of the seventeen projects, three were considered to require less supervision (by about 10 percent of total yearly average) compared to nonparticipatory projects; six required longer supervision (about 20 percent more on average); and eight showed no impact on supervision time. On average, staff spent one-third of their supervision time in the field facilitating participation by, for example, preparing stakeholder workshops; community visits; and dialogues with NGOs, beneficiary associations, and different levels of government.
- *Work at headquarters of nonspecialist staff.* The participatory projects were more supervision-intensive at headquarters than nonparticipatory projects. In nine cases, staff mentioned that an average of 25 percent more staff weeks were necessary per year due to

the participatory nature of the projects. In only two cases did the supervision effort decrease. The higher supervision effort in headquarters is partly due to the close working relations developed between the stakeholders and the Bank's project team during preparation, which follow through into supervision. However, a number of Task Managers stated that they expect a different supervision profile than that of nonparticipatory projects—higher at the beginning of the implementation phase (which is where most of the projects sampled were at) to support the start-up of beneficiary and stakeholder participation, but considerably lower in later stages of the project cycle as less controversies arise due to the nature of the participatory process.

- *Delays in disbursement because of participation.* Staff stressed that they did not encounter delays in disbursement linked to participation. In a few cases the opposite occurred (i.e., disbursements were faster than expected because of the good project performance).

Comparison of Forty-Two Participatory Projects with a Control Group

The following results of this statistical comparison are grouped around three queries:

- *Staff weeks financed by the Bank's budget.* Computations of the average number of staff weeks spent in preparation, appraisal, and negotiation confirm the information obtained in the interviews: participation increases staff weeks by about 10 percent to 15 percent. According to the estimates presented in Table 1, the projects included in the Bankwide control group required around 12 percent less work input in preparation than the participatory project group. While the same trend can be observed for appraisal staff weeks (difference of 15 percent), negotiation time does not appear to be affected by the participatory nature of the projects. Because of a high variation of observed values, the standard deviations of the computed averages are very high. The average yearly supervision

effort was also higher for participatory projects. As seen in Table 1, the control group required only about two-thirds the number of supervision staff weeks as those used in the participatory project group. This ratio is in line with answers from Bank staff in the interviews, to the effect that supervision requires more staff weeks especially in the early stages of project supervision. However, as front-loading of the supervision effort occurs, as mentioned by several Task Managers, then the figures in Table 1 overestimate the average yearly supervision intensity of the participatory projects.

- *Staff weeks financed by extrabudgetary funds.* On average, the group of participatory projects relied more heavily on extrabudgetary

staff weeks during preparation from Trust Funds and government grants.

- *Elapsed time.* The elapsed time during negotiation, signing, and effectiveness was not markedly different between the two groups. The participatory projects required only 7 percent more time from identification to signing than those projects in the control group. The argument that participatory projects take longer until disbursements start cannot be supported by these results.

Remaining Questions

Several open questions remain. First, the supervision effort of participatory projects needs to be further monitored to assess whether it does

Table 1. Staff weeks spent on participatory projects versus control group projects

	Participatory projects		Bankwide control group	
	Observations ^a	Staff weeks ^b	Observations ^a	Staff weeks ^b
Preparation	42	88.5 (42.9)	1,013	77.6 (55.7)
Appraisal	37	42.7 (24.8)	881	36.2 (24.5)
Negotiation	37	13.5 (11.8)	885	13.0 (11.3)
Supervision per year	97	27.0 (20.5)	2,291	17.0 (14.8)

^a Variation of observation number is due to incompleteness of MIS data.

^b Standard deviation of means are given in brackets below the estimates.

sources than the control group, and grants were especially used during the preparation phase. Interestingly, while the share of projects in each group that tapped extrabudgetary finance sources was roughly the same (about 25 percent in each case), the intensity of its use was very different. Several participatory projects financed up to 50 percent of total

decrease over the implementation phase, as suggested by several staff in the interviews. Because only relatively recent participatory projects were included in the study sample, it was not possible to make this evaluation. Second, more research is needed on how the learning process within the Bank and the borrowing countries influences the costs incurred. As staff learn to apply participatory

techniques and the benefits of participation become visible in the borrowing countries, preparation and supervision costs can be expected to decline over time. And third, assessment of the costs of participation needs to be conducted with consideration of project quality.

Independent of whether project quality is defined as poverty alleviation or development sustainability, if participation is a means to achieve this goal, it might well turn out to represent the least-cost operating solution for the World Bank.



Popular Participation and the World Bank: Lessons From Forty-Eight Case Studies

Mary Schmidt¹

Introduction

This paper is based on a study of forty-eight Bank-supported projects and Economic and Sector Work (ESW) activities, all considered participatory. The study was conducted in 1993, using information from Bank documents and interviews with Task Managers and other Bank staff. The objective was to identify recurring obstacles to participation and actions taken by Bank staff to overcome difficulties. This paper summarizes the study's findings and provides some information on the costs and impact of participation.

For the purposes of this study, popular participation was defined as "a process by which people, especially disadvantaged people, influence policy formulation and control design alternatives, investment choices, management and monitoring of development interventions in their communities." "Popular" refers to not only the poorest of the poor, but anyone who is disadvantaged in terms of wealth, education, ethnic group, or gender.

General Profile of the Cases

The forty-eight cases studied include twenty-eight Social Funds, fifteen other projects, and five ESW activities. The type of beneficiary participation in these cases was most commonly at the level of information sharing and consultation, rather than shared decisionmaking or action-initiating by beneficiaries. With regard to the stated objectives of

participation, these were most commonly concerned with cost-sharing, project efficiency, and project effectiveness rather than with building the capacity of beneficiaries or empowering them to initiate their own activities. In only one of the non-Social Fund projects was empowerment an explicit objective, and only because it was central to the work of the NGO that initiated and executed the project. Among the Social Funds, the Social Investment and Compensation Funded (FONCODES) project in Peru stated that one of its objectives was the empowerment of beneficiaries and strengthening of associations, organizations, and institutions at the grassroots level. The most common unit through which beneficiaries participated in a project was the local organization, such as a farmers irrigation group or a neighborhood organization. Other local-level stakeholders included church officials, missionaries, extension workers, community development workers, district and local authorities.

Common Obstacles to Participation

In discussions with Bank staff, the following five major obstacles to achieving meaningful participation were cited:

Tentative Government Commitment

Problems arose when government officials were keen to maintain the status quo with regard to roles and power relationships, and were not convinced about the advantages of adopting a more participatory

¹ This is a summary of the original paper by this author.

approach. Where government commitment existed, it often rested with just one or two individuals, and therefore depended on these individuals remaining in influential positions. Task managers attempted to foster government commitment by (a) including senior representatives of government in the design of the participatory processes; (b) enabling government staff to perform the participatory work, thereby reducing suspicion and demonstrating participatory approaches; (c) and spotlighting a participatory program within a top-down ministerial program to promote government ownership.

Social Funds posed a particular problem for government ownership because they were accorded special status with financial, administrative, and political autonomy, thus bypassing ministerial agencies. When a government was reluctant or opposed to sharing or handing over responsibility and power, Task Managers pursued a variety of options, including: (a) forming alliances with champions of participation in government; (b) identifying participatory-oriented alternative executing agencies, such as NGOs that were trusted by beneficiaries and government alike; and (c) persuading government to become involved by creating joint responsibility between government and NGOs.

Task managers of ESW activities, such as Beneficiary Assessments and Participatory Poverty Assessments, sought government ownership by (a) briefing ministry officials on the purpose and methodology of the study and explaining the type and value of the information to be collected; (b) including officials in the sample selection process; (c) sharing interim and final reports with officials; (d) using capable civil servants to perform participatory research, and (e) taking officials to the field to observe participatory activities firsthand.

Weaknesses of Project Staff

The limiting factors for the effectiveness of field-level project staff and extension workers in the cases studied included their attitudes and skills in relation to participatory approaches. The required attributes of these workers included (a) a service orientation, (b) an open, collegial management style that builds confidence and instills trust among

beneficiaries, (c) empathy toward the disadvantaged, (d) an ability to speak the language of the poor, and (e) technical, organizational, and social skills to listen and respond to beneficiaries. Of course, adequate managerial and administrative support, including supervision, equipment, transport, and logistical systems, were also essential to enable these staff to fulfill their roles.

In the participatory projects studied, these staff tended to be recruited directly from the beneficiary group, and in some cases existing local-level development workers were incorporated into the community-level activities. For instance, the Tamil Nadu Integrated Nutrition Project worked through community nutrition workers from an existing government program to provide health and nutrition information to poor women. These workers were women recruited from the villages who were poorer than average but who had well-nourished children.

Several projects provided training of staff in participatory approaches to enable them to be more responsive to the beneficiaries. In the initial phase of Albania's Poverty Alleviation Project, for instance, it was evident that the works did not always reflect villagers' priorities. To address this problem, infrastructure field inspectors were to be trained in participatory development methods.

Limited Capacity of Local Level Organizations

Popular participation in the Bank-supported projects studied was at the level of beneficiary groups, such as parents' associations, women's groups, farmers' organizations, and residents' organizations. Some of the weaknesses of community-level groups were highlighted in the beneficiary assessments undertaken within Zambia's Social Recovery Program and Peru's FONCODES program. The factors that limited the participation of these groups included (a) their limited administrative and technical capacities; (b) leaders with dominant personalities monopolizing decisionmaking; and (c) poor communication about the purpose and obligations of the groups' participation. Other projects sought to evaluate the ability of community organizations to represent intended beneficiaries, before approving subproject activities. In Mexico's Indigenous Fund project, there was even an example

of beneficiaries initiating their own capacity building—some community leadership councils that had experienced poor quality technical assistance from the project or other government agencies began to use membership funds to contract other services to improve their capacity to generate subproject proposals.

In general though, assessments of community-based groups were absent from the projects studied, and little information was gathered to help design appropriate capacity building efforts. Social Funds appeared to have a better record—seven of the twenty-eight Social Funds used or will use beneficiary assessments, and eleven will provide some capacity building assistance for beneficiary and intermediary organizations.

Participation Started too Late

Although project documents set out requirements and procedures for beneficiary mobilization and participation throughout the project cycle, many factors inhibited this commitment from being carried through. These factors included the following:

- (a) Bank support being given for rehabilitating existing infrastructure that had been imposed on villagers without their input in the design process. Thus, when the government attempted to hand over operations and maintenance responsibility to beneficiary organizations, these groups were reluctant to assume duties because the infrastructure did not respond to felt needs.
- (b) A perception among the beneficiaries—after a long history of donor investments where beneficiaries had played a passive role—that loans from the government were gifts and need not be repaid. Alternatively, a perception that the facilities built belonged to the government and it was not the responsibility of the local people to maintain them.
- (c) Constructing the physical structures before forming and strengthening the beneficiary organizations required by the project for community participation. Thus beneficiaries felt that the works would be completed without them, and

that their contributions, whether in labor, capital, feedback, or decisionmaking were unnecessary or irrelevant.

- (d) Pressures for rapid disbursement or quick results that did not allow for beneficiaries to be consulted or mobilized.

Strategies to avoid these problems included establishing a cadre of community organizers to increase field presence, informing communities about the project, and providing assistance for beneficiaries to mobilize themselves and prioritize their needs. Another approach used was to train staff in participatory approaches, emphasizing the importance of allowing beneficiaries to prioritize their needs rather than imposing priorities on them.

Absence of Voice

The disadvantaged rarely have opportunities to voice their demands or give their input in development decisionmaking. This problem is heightened when there is suspicion or hostility between local communities and government, making it all the more difficult for government to obtain genuine community-level feedback from the disadvantaged. Projects attempted to give voice to the disadvantaged by providing a suitable environment to bring together community representatives and government officials. For instance the Fifth Education Project in Chad employed the ZOPP methodology during project preparation, with the usual requirement of this methodology that participants agree to engage in dialogue in an environment free of hierarchy. Thus the needs and interests of government ministers were considered of no greater importance than those of the intended beneficiaries. Another strategy, used in the preparation of the Philippines Integrated Areas Systems Project, was to contract a local NGO, trusted by both the government and indigenous groups. The role of the NGO was to arrange discussion sessions where the local people could speak freely.

Costs of Participation

The costs and benefits of participation are often difficult to quantify and may not be evident

until after project completion. The study did not attempt a systematic analysis of costs and benefits of participation, but the following observations are worth mentioning.

Costs to Beneficiaries

The costs that limited beneficiaries' ability to participate were more often time constraints rather than financial limitations. In the case of the Sri Lanka Irrigation Rehabilitation Project, for example, a member of a farmers' organization who served as representative to the district canal organization was forced to rent out his land because he found it impossible to perform all the tasks of both producer and farmer representative. Unable to maintain his livelihood, he eventually resigned his leadership position and left the farmers' organization altogether.

Sensitivity to these time and financial constraints of beneficiaries, especially of women, proved to be an important factor in successful participatory activities. For example, in Albania's Rural Development Fund, elected villagers who sat on Village Credit Committees and processed loans were initially volunteers. Recently, the time demands on representatives were recognized, and some remuneration for their expenses was provided.

Costs to Government

Some participatory programs required the establishment of a new cadre of field-level workers or training and reorientation of existing staff. The costs involved were sometimes difficult for government to bear, especially when under budgetary constraints with pressure from donors to cut civil service positions. In response to this problem, some governments sought additional staff support from other international agencies, or made use of local-level staff working in other parts of government.

Another heavy financial burden on government was the recurring costs associated with new or rehabilitated infrastructure provided by the project. Indeed, one of the factors that constrained greater participation in Zambia's Social Recovery Fund

was skepticism among beneficiaries about the ability of ministries to deliver essential recurrent costs. For instance, beneficiaries were reluctant to give money or labor to health centers they doubted would have any drugs once built.

Impact of Participation

The forty-eight cases studied showed strong links between the use of participatory approaches and the achievement of a number of development objectives. The following are some examples, demonstrating the range of benefits of participation.

Increased Effectiveness

In The Gambia, the use of traditional women's groups and simple training for traditional birth attendants to help in the identification and referral of high-risk pregnancies resulted in a "tremendous" increase in the number of referrals, according to the Task Manager.

Increased Efficiency

In Nicaragua's Municipal Development Project, the high quality of completed works in barrio upgrading was due in part "to the active participation of the direct beneficiaries in overseeing the operation," according to the Project Completion Report. Beneficiary participation had a large impact on the rate of return, which was 50 percent more than appraised; the planned five-year project was completed in three and a half years.

When village-level water committees were given responsibility for water pump maintenance in a rural water supply project in Cote d'Ivoire, the annual maintenance costs were reduced to less than half those incurred during the previous centralized system, and breakdown rates of hand pumps maintained by water committees were 11 percent, compared with a 50 percent breakdown rate for other water points.

Capacity Building of Community-Level Groups

In Tamil Nadu's Integrated Nutrition Project, some women's groups formed food processing operations as part of the project went on to become women's cooperatives and societies producing and selling food, drawing on their increased organizational capacities.

Empowerment of Beneficiaries

In El Salvador's Sites and Services Project, community participation in housing led to empowerment of residents, as demonstrated by their demands directed at government agencies responsible for providing services.

Part II. Participation and the Public Sector

Public Sector Management and Participation: Institutional Support for Sustainable Development

Malcolm Holmes and Anirudh Krishna¹

Introduction

The public sector plays an essential inter-mediation role between the state and civil society. Even as the size and scope of its activities are reduced in the wake of financial crises in many countries, and even as NGOs are expanding in all parts of the developing world, the public sector will continue to have a major influence on development in the future. Whether or not it incurs the bulk of expenditure on development, the public sector will influence the activities or other players through regulation, direction, oversight, and possible support. It will thus play a critical role in shaping the environment for development initiatives, whether by communities, NGOs, the private sector, or public agencies.

Public Sector Management (PSM) refers to the capacity of the public sector to perform its functions. PSM comprises the structures and agencies, processes and organizational links, individuals and incentive structures, culture and orientation used by the public sector to perform its tasks. The quality of PSM is measured by the quality of its products, namely *policy development* (and the effective communication of these policies to decisionmakers) and *implementation* (ranging from enforcement of the law and regulations to infrastructure and service provision).

The quality of PSM will influence, and will be influenced by, the quality of participation. Participation

relates not only to project-level participation but also to participation in policies and programs. Appropriate participation at all these levels raises the overall quality of decisionmaking. This paper therefore examines the links between PSM and participation at the level of policies, programs, and projects. Efforts to support increased participation and better quality PSM share a concern for sustainability and institutional development (ID), and in this respect addressing these two issues can be a mutually reinforcing process. What follows is the need to (a) work with governments to assist them to follow a more participatory approach to policy development and service delivery, (b) clarify the nature of participation at the various points in the policy cycle, and (c) recognize that the nature and scope of participation will vary depending on the decision to be made.

PSM–Participation Links at Different Levels

A main theme of this paper is that the content, nature, and intensity of participation depends critically on its institutional environment. An enabling environment needs to be developed through suitably structured interactions between internal stakeholders (i.e., those located within the organs of PSM, including central government and implementing agencies; ministers, and civil servants) and external stakeholders (those who in theory own the public sector but are on the outside, including beneficiaries and the persons adversely affected, and the organizations that represent them). Thus,

¹ This is a summary of the original paper by these authors.

an enabling institutional environment is an important requirement for participatory development. At the same time, participation, through broadening the consensus for reform of the institutional framework, can itself facilitate the development of such an environment. Participation can therefore *contribute* to an enabling institutional environment (improving both the effectiveness and efficiency of government. Participation itself is affected by the depth of the environment. For this reason, attempts to facilitate participation without including government will have limited consequences.

An enabling institutional environment is an environment where appropriate “rules of the game” are in operation. These rules of the game, or “institutions” as Ostrom calls them, include “the set of working rules that are used to determine who is eligible to make decisions in some arena, what actions are allowed or constrained, what aggregation rules will be used, what procedures must be followed, what information must or must not be provided, what payoffs will be assigned to individuals dependent on their actions.”² It is these institutional rules of the game that influence how different stakeholders perceive the opportunities open to them for participation and the payoffs that may be expected. The conditions necessary for stakeholders to have adequate opportunity to participate include

- full access to information on policy issues and development plans,
- freedom of association to permit the discussion of issues by all interested groups within the community, and
- regular meetings where elected officials or the representatives of official agencies can receive and respond to the views of the community and be held accountable for the actions taken on the community’s behalf.³

² E. Ostrom, 1992. *Governing the Commons: The Evolution of Institutions for Collective Action*, Cambridge, U.K.

³ Robin Sharp, 1992. “Organizing for Change,” Johan Holmberg (ed.), *Making Development Sustainable: Redefining Institutions, Policy and Economics*, IIED, U.K.

Appropriate institutional development (ID) therefore has the goal of improving the structures, systems, and processes of the public sector (i.e., improving PSM) that allow it to provide these conditions for enabling citizen participation. Participation is not seen here as a one-off activity connected with a particular intervention. Rather it is a process that can occur at different decisionmaking points in the development process, from policy formulation to sector plans to programs and projects. It is this “policy cycle” that makes up the work of the public sector, and institutional development efforts will need to be made at each level in this cycle to ensure that some degree of participation can occur and the right decisions are being made (i.e., to ensure sound PSM). Note that participation at any one level potentially affects the environment for participation at other levels. For instance, participation at the project level can be helpful in identifying institutional constraints and, in some cases, suggesting workable solutions that can be used to encourage participation at higher levels in the policy cycle. Similarly, participation at higher levels can be useful for influencing the environment for participation at the grassroots level.

In determining the appropriate forms of participation at the different levels of the policy cycle, the following questions need to be asked at each level: Who are the relevant stakeholders at this decision point? What are the relative roles of each stakeholder? What type of ID is conducive to stakeholder participation and sound PSM? How can this ID be achieved in practice? The following sections address these issues.

Relevant Stakeholders and Their Relative Roles

In general terms, participation in the public sector is concerned with the roles played by internal and external stakeholders and with the way control over public programs is shared among them. In one extreme, a concern for participation requires that beneficiaries be given control over the largest part of decisionmaking. In another extreme, concern for participation involves decisionmaking by a small group of “insiders,” with little consultation of stakeholders and poor communication of the rationale for any decision.

While there is a justifiable reaction to such an “expert mode” of development, which has offered beneficiaries only a marginal role in project planning and implementation, it is dangerous to let the pendulum swing too far the other way. No development workers should fool themselves into thinking they know the people’s real interests better than the people themselves. However, people often have an incomplete picture of their best interests. And the choices they do perceive may be as easily subject to political manipulation as those of the development workers. And, while it would be wrong to assume that technical expertise is the exclusive preserve of internal stakeholders (it is increasingly being appreciated that appropriate technological solutions require integrating local knowledge with modern science), it would also be wrong to infer that participation is equivalent to internal stakeholders renouncing any role in decisionmaking.

An important role is played by public sector service providers at the field level; they are at the interface between beneficiaries and the public sector. These fieldworkers provide technical expertise and in many cases assist in institution-building at the local level. Their work includes mobilizing, reestablishing, or strengthening community organizations to enable them to participate actively. These local-level development agents have to be motivated and equipped to perform the agency tasks that promote beneficiary participation. Within the agency, appropriate systems and processes need to be developed and these changes need to be endorsed and supported by the center. The participation of stakeholders who are internal to the public sector—ministers, senior civil servants, service providers—is equally important for sound PSM and enabling participation by external stakeholders. Experience shows that civil servants who are empowered are more likely to have the motivation and authority to empower those they serve.

A number of factors influence the intensity of participation that different stakeholder groups bring to public sector decisionmaking. Such factors include (a) the willingness of the stakeholder group to take

part in the activities of the public sector, (b) their capacity to make a meaningful contribution, and (c) the extent to which the institutional setting is conducive to their participation. This third issue will be addressed in the following section. But first the appropriate roles of internal and external stakeholders need to be considered under different conditions.

Relative to any decision, the roles of internal and external stakeholders will depend on the nature of the decision to be made. Where public and private interests coincide (as in increasing agricultural production), the public can participate more intensively at the project design and implementation phase by sharing in, and even taking over, decisionmaking. Where public and private interests are potentially or actually opposed to each other (as in controlling rapid groundwater depletion by tubewell users), there may be no common ground for shared decisionmaking. Under these circumstances, the responsibility rests with the public sector to uphold the public interest while ensuring that people with conflicting private interests (e.g., the tubewell users) are fully consulted and informed about their final decision. Leadership is about knowing who and when to consult, including when to hand over decisionmaking authority and responsibility. It is also about knowing when it is time to take decisive, albeit unpopular, action.

There are other areas of public decisionmaking where the intensity of external stakeholder participation will be limited by, for example, the need for technical rigor, interregional coordination and intersectoral balance (for example, in macro-economic or monetary policy); the need for sensitivity to rent-seeking behavior (exchange rate adjustments, or regulation); and the need for judicial impartiality. In these cases, while *decisionmaking* must remain the responsibility of the public sector, there is a need to ensure that the voice of external stakeholders (the public) is heard and that they are kept informed. This too is the responsibility of the public sector decisionmakers.

Fostering an Enabling Environment

Both participation and sound PSM require the development of an appropriate institutional setting. Getting institutions right means paying attention to both the formal and informal rules and to their enforcement. Changing the rules of the game will only make a difference if all players play by the new rules. Attention needs to be paid to four main institutional issues that can affect rules of the game and the incentives faced by stakeholders: They are (a) information and communication, (b) participation in management, (c) accountability, and (d) trust, predictability, and reliability.

Information and Communication

In addition to facilitating communication and information-sharing between the public sector and beneficiaries and the public at large, it is also important to improve communication among internal stakeholders. One of the central benefits of a participatory process is that it improves the flow of information upward to senior management. This flow enables managers to tap into the knowledge and experience of their subordinates, who are often able to perceive client concerns because they are closer to the organization's clients. These staff are also in a better position to identify dysfunctional organizational policies and procedures. However, these kinds of internal links tend to be weak, usually for political reasons. For example, communication between ministers and civil servants is often poor or based on hostility; thus, the need for interagency coordination is often superseded by the imperative of empire building.

Participation in Management

In assessing the optimal level for decision-making, and the types of actors who need to be involved, it seems sensible to ensure that decisions are made where all the relevant information is available. It also makes sense to involve all those actors who command a relevant stake in the outcome of the decision. The current emphasis on decentralization is a result of the growing recognition that much of the relevant information is held

by the community. It also stems from the awareness that service providers require the authority to respond flexibly to the variations posed by local knowledge and circumstances. Thus, authority needs to be decentralized so that day-to-day implementation will be the prime responsibility of service providers and beneficiary groups. However, given its comparative advantage, the center will continue to be responsible for coordination, long-term policy formulation, installing appropriate systems and processes, and providing the right set of incentives.

The capacity of beneficiaries to participate in management relies on them having voice, which can be strengthened if they contribute a share of the costs. When they make a contribution in cash, kind, or labor, beneficiaries can express their preferences for particular projects and activities. Most successful participatory projects have relied on cost sharing or user charging to cultivate a basis for a beneficiary's voice. While civil servants felt that paying customers deserved to have a greater say, beneficiaries were more willing to exercise voice when they felt they had a right to take part in decisionmaking.⁴

Accountability

While communication and shared decision-making relate to assisting and allowing stakeholder participation, accountability is concerned with making a stakeholder group behave in a manner acceptable to all other stakeholders. Community participation is commonly understood to make the public sector more accountable. Since participation involves sharing authority over public programs and public funds, it requires that the same principle of accountability apply to all the other partners. Beneficiaries and service providers need to be accountable for the decisions they are authorized to make, and when programs are implemented in partnership with NGOs, the latter will have to disclose more information than they normally do to

⁴ This proposition has been empirically tested among beneficiaries of irrigation projects in Indonesia. See Samuel Paul, 1994. "Does Voice Matter? For Public Accountability, Yes," *World Bank, Policy Research Working Paper 1388*.

government and the public about partnership activities and publicly funded expenditures.

Trust, Predictability, and Reliability

It is argued that clear legal contracts enable the different partners to share responsibilities in a way mutually agreeable and legally enforceable. This logic helps convince beneficiaries that contributing time or money will be worthwhile. More generally, beneficiary trust needs to be built or restored before they will be willing to invest their time and resources in participating. This trust depends in part on the regularity of taking development initiatives of the public sector to their logical conclusion. In many developing countries, the rural poor have seen too many examples of public projects that were launched amid great expectations, only to stall in midcourse by lack of funds or a change in priorities. Before they commit themselves to participate, beneficiaries need to be convinced that the project as started will be completed, funds will be provided in the manner agreed, and no changes of direction or pace will be made without prior consultation. These expectations require predictability and budgetary discipline based on sound public expenditure management with a strategic focus and a reasonably long time horizon.

Interventions to ensure that improvements are made in each of these four areas can be made *directly* by targeting institutional structures, systems and processes from above, or *indirectly* by identifying constraints with the help of project-level experiences. Both these approaches are described in the following sections. Clearly, either type of intervention is most successful when it is supported by the other.

Intervening Directly to Achieve Institutional Reform

Dealing with institutional issues and assisting in institutional reform has not been a major part of donor activities in the past. Donor agencies have historically favored special conditions for project operations that, in effect, insulate the project from systemwide influences. However, recent trends indicate that as donors are moving away from a purely technoeconomic understanding of project

financing, there is increasing concern for institutional constraints and PSM issues. Donor assistance undertaken in the absence of a long-term strategic framework has been seen to weaken the borrower country's institutional capacity rather than strengthen it.

This concern is evident in some areas of Bank work. Most notably, a new approach is being taken in the Southern Africa Department. This approach seeks to coordinate the activities of donor agencies to support separate components of integrated sector-based investment strategies that have been drawn up by the borrower countries themselves. The objective behind this approach is to assist the development of the country's institutional capacity for long-term planning and coordinated implementation. It is important that this process not stop at the sector level, and it is also important that the process be a stepping stone to reforming government systems and processes. Though only indirectly connected to beneficiary participation in the short term, such initiatives will facilitate building up an enabling environment that can support more meaningful participation.

Besides being vigilant about the institutional consequences of its diverse lending instruments, the Bank can also play a more active role in ID through influencing the *process* for institutional reform. Rather than performing a design function, the Bank can play a more facilitatory role. Recent examples of the Bank in this role include discussions on Structural Adjustment Lending (SAL) in several countries, notably The Gambia, Mali, and Ghana. Efforts brought together a range of in-country stakeholders, with the Bank primarily in a listening mode. In contrast to the earlier style of such operations, where consultations were usually limited to ministers and top officials in the ministry of finance and the concerned sector ministry, these new initiatives have widened the range of stakeholders involved. More work remains to be done. This participation needs to be made even more broad-based and *institutional* as a regular activity within the government, beyond the particular workshops and meetings organized around the SAL discussions.

As well as institutionalizing the participatory process at this higher level of the policy cycle, there is also a need to support enabling institutional arrangements at all other decision points. This effort will require assessing the institutional constraints at each of these points and then initiating suitable reform. Institutional assessments of this sort could be undertaken in a participatory manner, bringing a wide range of stakeholders to the discussions. Such *participatory institutional assessments* could be conducted on lines similar to the participatory poverty assessments, beneficiary assessments and social assessments that are already part of the Bank's participation rubric. Also these assessments could be conducted before, during, and after the period of any project.

Project-Level Interventions for Institutional Reform

Clearly, project operations are limited by the institutional environment, yet by demonstrating the viability of alternative institutional arrangements, projects themselves can contribute to improving this environment. Perceived in this way, project-level participation has the role of testing and developing institutional hypotheses that can be scaled up to make a significant difference to the public management of development efforts. Among recent Bank cases, arguably the best example of governmentwide institutional reform being driven "bottom-up" by a traditional sector specific project is the Sindh Special Development Project in Pakistan. In the first Sindh project, a process of internal participation was installed to open up discussions. It was hoped that participation would help identify the dysfunctions in the system and offer recommendations for institutional reform. The second Sindh project is supporting the extension of this participatory process at the level of an entire provincial government. It is helping to set a framework that facilitates participatory assessments of the need for institutional and operational reform.

There are other developments that indicate the potential scope of indirect, project-level interventions for institutional reform. These include the new concept of projects currently under discussion in the Bank. This new strategy would replace the traditional project cycle of learning, piloting, and

demonstrating successful methods and programs.⁵ Such projects aim to support institutional learning and achieve a lasting impact on the country's policies. This approach will therefore require that the issue of government systems and processes be tackled. Recent examples of Bank-supported projects that have attempted to adopt this approach of hypotheses testing, piloting, and mainstreaming of institutional learning include the Village-level Travel and Transport Program in Tanzania and the Kenya Arid Lands project. A similar promising area of Bank work is the Social Fund projects. They offer scope for assessing the institutional dimensions of a plurality of organizational arrangements. Since Social Fund projects introduce new organizational arrangements, they provide the freedom to test alternative institutional hypotheses. The successful ones can be expanded to other regions of the country or to other agencies and higher levels of the public sector.

Conclusions

By engaging a wide range of stakeholders, the pool of resources available to support decision-making is enlarged, ownership is generated, capacity and learning are enhanced, and the quality of performance is improved. Traditional Bank approaches in this area have been limited by focusing on a small group of stakeholders within government, usually ministries of finance, sector ministries, and line agencies. More recent initiatives have been successful in engaging internal and external stakeholders at several levels. Discussion of these issues leads to the following four main conclusions:

- Participation has an important role to play in facilitating sound PSM. The *impact* of citizen participation, and even the desire of citizens to participate with the public sector, depends on the health and effectiveness of the public sector.
- Participation is not the normal way of doing business in most developing (and many developed) countries. The *attractiveness* of participation

⁵ Robert Picciotto and Rachel Weaving, 1994. "A New Project Cycle for the World Bank," *Finance and Development*.

increases when institutional mechanisms are in place that improve the willingness and capacity of different stakeholder groups to participate.

- The *likelihood* of effective public participation is considerably enhanced by systems that provide for internal participation within the ranks of the public sector. Civil servants who
- are empowered will have greater motivation and authority to empower those they serve.
- The *sustainability* of stakeholder participation depends on the ability of outside agencies to help build institutional links among all relevant stakeholders.

6

Strengthening Public Accountability through Participation

Samuel Paul¹

Introduction

One of the challenges facing developing country governments today is how to find ways to enhance their public accountability. Accountability means holding individuals and organizations responsible for performance measured as objectively as possible. The concept of public accountability applies equally well to all levels of government and to public enterprises and other agencies that deliver public services to citizens. A popular response has been to downsize the public sector and thus to reduce the magnitude of the problem of weak accountability. This fix can only be a partial remedy, however, because many public services and regulatory functions still remain the responsibility of governments. When only government can provide or regulate public service, public officials tend to behave like monopolists. In many poor countries, citizens do not have the power, knowledge, and incentives to demand better services and public accountability. The problem is compounded by the fact that the measurement and quantification of the benefits and adequacy of services are often difficult. All these are reasons why the performance and accountability of the public sector remain weak in the developing world.²

The purpose of this paper is to explore ways and means to strengthen public accountability through

the participation of the people. This is a timely exercise in view of the overload on the traditional system of accountability; in many countries an awareness is growing that the "voice" of the people should inform and influence the decisions, actions, and accountability of government.³ In a democratic society, elections are a manifestation of voice. At another level, voice is the phenomenon of the public seeking better accountability and performance from government agencies through such actions as participation in user groups. Voice may be contrasted with "exit," which occurs when the public expresses its dissatisfaction with a given service provider by seeking an alternative provider of the same good or service. Exit is an option that the public can use when a competitive market for services exists. In many areas of public endeavor, the exit option is not available.⁴ Hence the importance of voice. This paper outlines the rationale for the use of voice and participation. It also proposes participative specific mechanisms that can aid public accountability at the macro and the micro levels.

The Role of Participation in Accountability

How can participation augment public accountability? First, public services (indeed all functions of government) are meant to benefit the people. Appropriate ways of focusing on the people and involving them—whether by design, delivery, or

¹ This is a summary of the original paper by this author.

² For a fuller discussion of this subject, see Samuel Paul, 1992. "Accountability in Public Services: Exit, Voice and Control," *World Development*; World Bank, *Governance and Development*, Washington D.C.

³ J.G. Jabbara and O.P. Dwivedi (eds.), 1989. *Public Service Accountability: A Comparative Perspective*, Kumarian Press, Hartford, Connecticut.

⁴ G. Roth, 1987. *Private Provision of Public Services in Developing Countries*, Oxford University Press, New York.

assessment of services or other functions—can add a new dimension to public accountability. This approach implies a subtle shift in the way government agencies view the users of their services—as customers to be served rather than as beneficiaries or objects of development. When this view of the people as customers leads to their participation in some form or another, they emerge as a group whose voice counts within the public accountability system.

Second, a participative approach to the design and delivery of public services could lead to a more effective and efficient use of the investments of public agencies. There are many reasons for low levels of use and the inefficiencies of the public investments in developing countries. One factor highlighted by many observers is the lack of public accountability. The incentive to remain accountable is absent when a key set of players—namely, the public—is not on the scene to exert pressure.

Third, public participation may induce governments to move away from traditional ways to improve accountability. Governments can be influenced to give up their preoccupation with inputs and internal controls and take a more balanced concern for the inputs and outcomes of their policies and programs. Users of public policies and services are always concerned about the results and efficiency of government action, and their voice can cause service providers to pay more attention to these matters.

Selected approaches and mechanisms of public accountability at the macro and micro levels are highlighted below. Well-known traditional mechanisms of accountability will not be discussed; the focus here is on the newer and potentially more useful participatory mechanisms. While recognizing the importance of country-specific historical and cultural factors in determining the effectiveness of these mechanisms, no attempt is made here to adapt them to country contexts.

Macro-Level Mechanisms

Audit and Legislative Reviews: Public Dissemination

An open discussion and wide sharing of the findings of the reports of the auditor general and legislative committees are important ways to educate the public about public accountability mechanisms. This approach is easier to do in a democratic setting. In authoritarian regimes with nonexistent or nominal legislatures, this avenue may not even exist. Under such conditions, the media (if free) can help by highlighting audit reports and other reviews including those by international agencies such as the World Bank. The objective here is to inform and educate the citizens so they understand, discuss, and internalize accountability-related issues over time, even if they cannot do much about them at present.

Participation in Budgetary Policymaking

Budget making is a time when people in authority should talk with major stakeholders and professional experts outside of government. The government will benefit from new and useful ideas and will be better able to detect the problems that lie ahead. It will also gain a certain measure of public goodwill and understanding as a result of the open process. Before the budget presentation in India, the finance minister and his colleagues meet with industrialists, labor leaders, academics, agriculturists, and other groups to listen to their views on the subject. The media covered the discussion for the benefit of the public. The process of budget making is still cloaked in secrecy. Nevertheless, the exchange of views and the openness of the discussion could contribute to greater macro-level accountability in a large and diverse country.

Public Feedback on Policies

A government can generate useful information on how well its policies are faring by gathering systematic public feedback. This strategy probably

will work better in smaller countries where organizing such feedback is easier. A case in point is Singapore where the government has set up a Division of Public Feedback. It was established after the ruling political party faced some reversals in an election a few years ago. This division gathers systematic feedback on a variety of national policies and invites the interest groups concerned to public hearings with ministers and senior officials present. This style of ground-level deliberations with citizens and interest groups on policies is a feature of several East Asian governments. They have evolved an intriguing combination of national political regimes that seem relatively nonparticipatory and local and functional deliberation mechanisms that are highly participatory.

Provision for External Review

Public accountability can be strengthened through a legal provision at the national level. It requires the review of major programs and agencies by high level panels that include qualified persons from outside the government. Their reports should be widely disseminated. Universities in the West have committees of visitors that perform this role. Some years back, the government of Indonesia appointed a blue ribbon commission that included foreign experts to review the working of its power authority. Steps to improve accountability are likely to be taken when a public agency knows that an independent and open assessment of its working will occur. Such reviews should pay special attention to aspects of service, such as customer satisfaction, quality, and standards.

Legal Provision for Norms of Service

Legislation can strengthen public accountability by requiring agencies to announce and enforce service norms and standards. A recent comparative study of the legislation on electricity in the United Kingdom, United States, and India concluded that the latter's focus was on supply and investment while the others had stressed service quality, standards,

and consumer protection.⁵ Legislation can also help ensure consumer protection and freedom of information by allowing citizens to challenge abuses and unfair practices of public agencies in courts. Consumer protection, normally interpreted to apply only to private goods and services, has been applied to many public services in India. Consumer courts in different states and districts have given verdicts against government agencies. The effect of these cases has been to create more openness in the system. It has also put these agencies on notice that their behavior and practices can be challenged in court by the ordinary citizen.

Autonomy for Public Service Agencies

The mechanisms and approaches discussed above are unlikely to produce the desired impact on accountability when public agencies do not have sufficient autonomy or internal incentives. In recent years, important reforms in this area have taken place in the United Kingdom, Australia, and New Zealand. These governments have converted their departments and bureaus responsible for various public services into autonomous "executive agencies" bound by performance agreements. The chief executives of these agencies, often selected from the private sector, are given limited terms, and their reappointments depend on achieving measurable outcomes. Nearly 50 percent of the staff of the U.K. civil service are now working in executive agencies. In the city government of Sunnyvale, California, where performance agreements have been in vogue for some years, city managers can get up to 10 percent in bonuses if their agencies exceed performance targets. The feasibility of this powerful approach is yet to be tested in a major way in developing countries. Reforms of this type can be slowed down by many barriers, including attitudinal, political, technical, and manpower-related factors.

⁵ See Coopers and Lybrand in collaboration with the Tata Energy Institute, New Delhi, 1993. "Power Sector Regulation in India, U.K. and the U.S.A.," (Paper prepared for the Conference on Power Sector Reform held in Jaipur, India).

Micro-Level Mechanisms

Project-level Accountability Mechanisms

Participation of the relevant stakeholders (staff, users, citizens) in the preparation, design, implementation, and evaluation of projects can help improve public accountability and inform the public about the projects. Participatory rural appraisal can be used to help incorporate people's views and ideas into the project preparation and design stage. It can also generate feedback during implementation and monitoring for midterm corrections. Projects with a strong local focus and with fairly well-defined target groups or affected groups are more likely to benefit from these forms of participation. In both the Philippines and Mexico, ports projects have benefited from the involvement of user groups.⁶ People's participation in large national projects tends to be organized by NGOs and led by special coalitions and expert groups. The Narmada dam project is a good example of this approach.

User Surveys as an Aid to Accountability

User surveys can be conducted by public agencies, citizen groups, or NGOs to assess customer satisfaction. A recent example of an effort to apply this approach independently is a study in India that produced "A Report Card on Bangalore's Public Services." This study asked a random sample of more than 800 households to evaluate various dimensions of the public services in the city. It used the feedback to grade the agencies involved.⁷ Its impact on the public agencies covered and on accountability has yet to be assessed. The short-term impact of the study findings on public awareness building through the local media has been positive. Some of the public utilities in the United States (notably power and telecom utilities) have used public surveys of

⁶ Arturo Israel, 1992. *Issues in Infrastructure Management in the 1990s*, World Bank Discussion Paper No. 171, Washington, D.C.

⁷ Samuel Paul, 1993. "Bangalore's Public Services: A Report Card" *The Economic and Political Weekly*, December 25, 1993.

satisfaction to improve their services. The recent *Gore Report on Reinventing Government*⁸ recommended that a directive be issued requiring all federal agencies that deliver public services to create customer service programs to identify and survey customers for a better understanding of their needs. No initiative of this kind is known to be under way in any developing country.

Performance Plans and Agreements

Another way to strengthen accountability is by requiring the public agencies and enterprises responsible for major investments and services to prepare annual performance plans that specify their goals and standards for service delivery, as proposed in the Gore Report. When performance plans and agreements are made known to the public, it gives more power to user and citizen groups to demand greater accountability from the service providers. In some developing countries, governments have begun to negotiate performance agreements with certain commercial public enterprises that can easily be assigned performance indicators. A major problem is that these bodies are not vested with genuine autonomy. This was reported to be one of the reasons why the performance contracts adopted by some of the public utilities in Sub-Saharan African countries failed to deliver the expected results.

User Charges and Participation

User charges are usually viewed as a device for cost recovery and deficit reduction, but they can also encourage individuals and user groups to demand better performance and accountability from the public agencies involved. If the government forces an agency to raise a large part of its revenues through user fees or links its autonomy to such earnings, it will induce the agency to earn more from this source and to be more responsive to its customers. In the irrigation sector in both Indonesia and the Philippines, user fees have had precisely this type of impact. Water user groups in Indonesia that collect and pay irrigation service fees to the government on behalf

⁸ Published by the US Government in 1993.

of farmers have become more vocal and demanding in their dealings with the irrigation and district authorities. The latter in turn have become more responsive in terms of service delivery. To illustrate, district officials are now empowered to use service fee income to undertake the maintenance of canals, a task that earlier required time-consuming approvals from above. The importance of this source of revenue has forced the irrigation and public works agencies to listen to farmers, formulate service agreements, and respond to their needs better than before.

Public Hearings

Public hearings on important issues, grievances, and plans allow organized groups, as well as individual citizens, to express their views and benefit from the exchange of ideas and information. The openness of such meetings make it difficult for

government and its agencies to suppress and distort facts.⁹ Public hearings are standard practice for regulatory agencies in developed countries, while they are the exception to the rule in developing countries.

Information as an Aid to Accountability

The success of almost all the approaches and mechanisms discussed in this paper depends on how well informed citizens and users of services are. Regulatory commissions, the consumer movement, and laws, such as the Freedom of Information Act, have made access to information a major feature of society in the more developed countries in the past few decades. Much less is known about public services, development projects, and program interventions in developing countries. Yet, all these subjects are of concern to large segments of the population.

⁹ For further details and examples, see Samuel Paul, 1991. *Strengthening Public Accountability: A Conceptual Framework*, World Bank Discussion Paper No. 136, Washington D.C.

The State, Popular Participation, and the Voluntary Sector

John D. Clark¹

Introduction

Addressing the social dimensions of development is a huge challenge for governments. In their efforts to reduce poverty, redress gender or ethnic biases, and involve the poor and their communities in development decisionmaking and resource allocation, governments commonly find their normal macroinstruments inadequate. Economic policy, the provision of services and infrastructure, regulations, and market mechanisms are rarely targeted toward vulnerable groups. Clearly, participatory development approaches are required, involving complementary actions by governments and nongovernmental organizations (NGOs).

This paper examines the contribution that NGOs can make to participatory development and the conditions under which they can best work with governments to reach the poor and achieve participatory, socially sensitive development.

NGOs and Participatory Development

Nongovernmental organizations may provide instruments that, whether invited or not by governments, emphasize the participation of the poor. Many argue that NGOs may be best placed for the tasks of fostering popular participation, which include articulating the needs of the weak, working in remote areas, changing attitudes and practices of local officials, and nurturing the productive capacity of the most vulnerable groups, such as the disabled or the landless.²

Many NGOs concentrate on operating their own projects. They run parallel to public sector programs and with little influence on government policies or practices. But elsewhere the voluntary sector is sizable and interacts closely with the public and private sector, achieving a significant multiplier effect.³ Such "scaling-up" has been the subject of considerable study in recent years.⁴ The voluntary sector can influence mainstream development by⁵

- encouraging official aid agencies and government ministries to adopt successful approaches developed within the voluntary sector,

Relations Between North and South in the NGO Sector," *World Development* 15 (Supplement): 57-68; A. Fernandez, "NGOs in South Asia: People's Participation and Partnership," *World Development* 15 (Supplement): 39-50; E. Garilao, "Indigenous NGOs as Strategic Institutions: Managing the Relationship with Government and Resource Agencies," *World Development* 15 (Supplement): 113-120.

³ A. Fowler, 1992. "NGOs as Agents of Democratization: An African Perspective," mimeo (draft), University of Sussex, Institute of Development Studies, 1992; M. Bratton, 1988. "The Politics of Government: NGO Relations in Africa," mimeo, UK; M. Bratton, 1990. "NGOs in Africa: Can They Influence Public Policy?," *Development and Change*: 21.

⁴ ANGOC (Lok Niti), 1988. "NGOs and International Development Cooperation," *Journal of the Asian NGO Coalition*, vol. 5, no. 4, Manila; D. Hulme and M. Edwards (eds.), 1992. *Making a Difference? NGOs and Development in a Changing World*, Earthscan Publications, London.

⁵ J. Clark, 1991. *Democratizing Development: The Role of Voluntary Organizations*, Kumarian Press, West Hartford, USA.

¹ This is a summary of the original paper by the author.

² OECD, 1988. *Voluntary Aid for Development: The Role of NGOs*, Paris; C. Elliott, "Some Aspects of

- educating and sensitizing the public to their rights and entitlements under state programs,
- attuning official programs to public needs through acting as a conduit for public opinion and local experience,
- fostering operational collaboration with official bodies,
- influencing local development policies of national and international institutions, and
- helping government and donors fashion a more effective development strategy through strengthening institutions, staff training and improving management capacity.

Moving beyond the development supply-side—(where “experts” supply what they think citizens need)—to demand-side activities (where development organizations listen and respond to citizens’ assessment of their needs and priorities)—requires that NGOs develop new skills, partnerships, and ways of working. They need to help communities articulate their concerns and preferences, to maneuver into a negotiating position with official bodies, and to mix technical operational skills with “information age” communication, advocacy, and networking skills. The literature describing this evolution sees NGOs emerging as important agents of the civil society.⁶

It is now widely advocated by Western official aid agencies that effective development requires not only appropriate macroeconomic policy but also a healthy political environment—termed “good governance.” The critical elements of the latter are described as transparency, accountability, freedom of speech and association, greater participation in political decisionmaking, and due process.⁷ However these elements, firmly installed in the capital city, do not necessarily filter through to changed circumstances for poorer members of society, particularly in remoter areas. The poor are normally

less concerned about such national-level niceties as they are about local governance, which affects them more directly. What is more important to them is whether local officials are passing on benefits to which they are entitled, or how to handle the repression of their efforts to form a peasants’ union, or about securing a say in a nearby infrastructure project that will adversely affect their lives but about which they can find out very little information.

Participatory development, in the context of a demand-side approach, as practiced by an increasingly influential school of NGOs, becomes a local-level complement to good governance. Such NGOs help citizens find out about activities of the government and others that might affect them; they use advocacy and political influence to hold local officials accountable for activities (or inactivity) that are damaging to the poor; they help communities mobilize and form societies to express their concerns, and help guard against reprisals; they construct fora where officials can consult local people about development plans and listen to alternatives presented by the people; and they help ensure that individuals disadvantaged by government decisions receive just compensation, negotiated with the affected parties.

Potential Contribution of NGOs to Participatory Development

NGOs have become important actors in development assistance for various reasons, including (a) their scale; representing some 12 percent of total development assistance; (b) their ability to reach poor people, especially in inaccessible areas; (c) their capacity for innovation and experimentation, which are difficult for official agencies;⁸ (d) their representivity, often having close links with poor communities, and (e) their skills of participation. Moreover, their resources are largely additional,

⁶ R. Tandon, 1992. *NGOs and Civil Society*, Institute for Development Research, Boston, USA; Clark, 1991. *op cit*; Hulme and Edwards, 1992, *op cit*.

⁷ S. K. Lateef, 1992. *Governance and Development*, World Bank, Washington, D.C.

⁸ J. Tendler, 1982. *Turning Private Voluntary Organizations into Development Agencies: Questions for Evaluation*, Program Evaluation Discussion Paper no. 12, USAID, Washington, D.C.

and they not only "fill in the gaps" but serve as a response to failures in the public and private sectors.⁹

How much NGO potential is realized depends on many factors, including the tradition for voluntary activity, levels of tertiary education (indigenous NGOs are usually founded and led by those educated in universities, particularly in Northern Europe or North America), and the interests of donors and Northern NGOs in funding development activities in the country in question. A paramount factor is the nature of the relationship between the NGO sector and the state. Government policies, practices, and even attitudes can have a pivotal influence on the capacity of NGOs to operate and grow.

NGOs also face their own set of limitations, and they may not live up to the claims made in much of the literature on the NGO sector. Their projects may not be as effective or well targeted as claimed; the stated levels of popular participation may not be realized; the professional skills of their staff may be wanting; they may have weak accountability to the grassroots; and they may have weak management and poorly developed strategic planning.

Influence of NGO-State Relationship on Participatory Development

As stated above, the relationship between the state and NGOs is an important determinant of the feasibility and success of participatory development approaches. Where the relationship is strained, or outright hostile, neither government nor NGOs can fulfill their potential roles to support participation.

Ideal NGO-state relations are rare. The mutual distrust and jealousy appears to be deep-rooted. The government fears that NGOs erode their political power or even threaten national security (Fowler, 1992). And NGOs mistrust the motivation of the government and its officials.

Though controversial and risky, many of the more strategic NGOs are overcoming their inhibitions

and are seeking closer collaboration with governments.¹⁰ By so doing, they believe, they will be better able to contribute to participatory development as described above, and they will be able to expose the government to a grassroots perspective that might otherwise be neglected. However, there might be increased risk of corruption, reduced independence, and financial dependency.

World Bank experience drawn from a survey of twenty-five Bank-financed projects indicates a strong correlation between project success and the participation of grassroots organizations.¹¹ More recently the Bank is deriving important insights from the public consultations included in Environmental Assessments in which NGOs often play a major role. Such consultations are effective where all parties are prepared to be objective and learn from each other. Where NGOs use selective reporting or distortion to heighten criticism of the government, or where the government is not receptive to outside advice, consultations are likely to be no more than confrontations.

However, even where there has been a largely adversarial relationship, consultation can be a surprisingly productive process. It can even reduce tensions. The Environmental Congress—a network of NGOs in Sri Lanka—initially adopted a fairly confrontational style with respect to the government. On one issue the government proved receptive to their concerns and dropped plans for a major project. After this, the NGOs developed a more constructive dialogue with the authorities. The government, in turn, invited five NGO representatives on to the National Environmental Council, which reports to the Prime Minister on the environmental ramifications of all major development projects.

⁹ L. M. Salamon and H. K. Anheier, "Towards an Understanding of the International Non Profit Sector," project outline, Johns Hopkins University Institute for Policy Studies, Baltimore, USA, 1991.

¹⁰ A. Fernandez, *op cit*; R. Tandon, 1991. *NGO Government Relations: A Source of Life or a Kiss of Death*, Society for Participatory Research in Asia, New Delhi; ANGOC, 1988, *op cit*; E. Garilao, 1987, *op cit*; Aga Khan Foundation, 1988. *The Enabling Environment*, report of Nairobi conference, London, Aga Khan Foundation.

¹¹ M. Cernea, 1988. *NGOs and Local Development*, World Bank, Washington, D.C.

By offering or withholding support, official aid agencies can have a major impact on the NGO sector. In this way, and through their project and policy dialogue with governments, official aid agencies are able to influence the state-NGO relationship and to enhance the political will necessary for constructive engagement. Some governments are realizing, particularly in the context of their concern for participatory development and good governance, that supporting the growth of a healthy NGO sector is an important contribution to development.

Policy Instruments for Supporting NGOs and Participation

Governments can use a range of different mechanisms to create an enabling environment to support NGOs and their work in participatory approaches.¹² These mechanisms can be noninterventionist, active encouragement, or partnership.

Good Governance

Governments are able to use social and political policies to encourage a healthy civil society and public accountability of state institutions in ways that promote participatory development and foster a strong NGO sector. Such policies would help the government become better attuned to popular concerns and improve its efficiency. Of particular relevance are issues of plurality (rights of association, rights to organize interest groups) and information (public access to information about development programs). Governments might reduce implementation problems and enhance public support for their programs by easing access to information and allowing affected communities the opportunity to voice their concerns. NGOs can play an important role as interlocutors and facilitators of public consultations, and they can catalyze public debate and contribute to improving governance.

Regulations and Fiscal Legislation

Regulations and reporting requirements should be designed to help, not hinder, NGO growth.

Nevertheless, such requirements should guard against corruption and other malpractices within the sector and to foster sound management discipline. Restrictive laws and procedures designed for the political control of NGOs hamper legitimate NGO activity and should be eliminated. Fiscal policies should be transparent and even-handed, and they should provide incentives for legitimate NGO activities (conforming with state development priorities). Tax concessions may be used to encourage indigenous philanthropy and income-generating activities of NGOs. And legitimate NGOs should be able to receive foreign funds and donated goods without bureaucratic delays. There should be no arbitrariness, bias, or "rent-seeking" in the awarding of these privileges.

Operational Collaboration and Coordination

Governments may afford NGOs opportunities to collaborate with them in state programs. Allowing NGOs to retain their own agenda and remain accountable to their traditional constituency, can present a win-win situation, especially in the promotion of participatory development approaches. In particular, valuable roles that NGOs might play within government programs include articulation of beneficiaries' needs to project authorities, providing information about the scheme to communities, organizing communities to take advantage of the scheme's benefits, delivering services to less accessible populations, or serving as intermediaries to other NGOs.¹³

Ideally, government should foster but not dominate coordination. Having NGO units in the most relevant line ministries or organizing NGO consultative committees enables the government to plan its program in full knowledge of the activities of others. It enables NGOs to do likewise and to plan their programs more strategically. Sensitive coordination does not amount to controlling NGOs, but it encourages NGOs to avoid duplication, attend to geographic or sectoral gaps, eliminate religious or ethnic bias, and avoid activities that contradict state programs or are unrealistic.

¹² D. L. Brown, 1990. "Policy Impacts on the NGO Sector," mimeo paper for EXTIE, World Bank, Washington, D.C.

¹³ L. Salmen and P. Eaves, "World Bank Work with NGOs," Country Economics Department, WPS 305, World Bank, Washington, D.C., 1989.

Policy Debate and Formulation

Governments can involve NGOs in fostering public debate and helping formulate policy in many ways. First, they can provide information to NGOs for dissemination to their constituencies. Second, governments can offer a role to NGOs in public consultations. For example, NGOs are often invited to ensure that affected parties are represented within planning inquiries and environmental assessments. Third, governments may invite NGO leaders to serve on official commissions and other official bodies. For example, the Indian NGO, DISHA,

has been an influential member of the Central Government's commission on bonded labor.

Government Funding

Governments may provide funds, contracts, and training opportunities to NGOs to give them special encouragement for priority activities and for operating in priority areas. Care is needed to avoid undermining NGOs' autonomy and independence. It is necessary for the government to reach broad agreement with leading NGOs and NGO umbrella organizations on such priorities. For this reason it is important that NGO leaders are consulted on such schemes and involved in funding decisions.

Part III. Case Studies

8

Assessment of Beneficiary Participation in Health Program Management: Case Study of Benin and Guinea

Michael Azefor and Marilou Bradley¹

Background

This paper summarizes the results of a comparative study undertaken to assess the effectiveness of beneficiary participation strategies used in the design and implementation of Bank-funded health projects in Guinea and Benin. The surveys in both countries were conducted simultaneously over a three-week period. They involved interviews with individual community members, focus group discussions with local health management committees (LHMCs), and questionnaire surveys of health facility staff, regional health officials, and central Ministry of Health officials involved in project design and who are responsible for implementation and evaluation. The following issues were among the areas investigated: (a) beneficiaries' perceptions of changes in the quality of care; (b) beneficiaries' attitudes vis-à-vis health-care staff (e.g., level of competence and reliability—how, when, and in what areas do health staff at the district and regional levels interact with the population); (c) the accessibility and affordability of health services (do health-care programs respond to beneficiaries' needs); (d) perceptions of changes and improvements in beneficiaries' health status and quality of life; and (e) beneficiaries' perceptions of their roles in LHMCs (is there a sense of ownership).

In each country a local sociologist consultant was hired by the World Bank as survey director to work with local field interviewers. In Guinea the survey sample was 380 people, drawn from five prefectures from a single administrative region. In Benin the survey covered 380 people in four districts

in three different regions. The survey results were discussed in a two-day feedback workshop in each country. Representatives of interviewed beneficiary groups evaluated the findings and helped develop possible solutions to address the problems identified.

Beneficiary Participation in the Two Projects

The Bank-funded projects in Benin and Guinea seek to improve the quality, coverage and delivery system of basic health-care, especially to vulnerable groups. The goal is also to strengthen governments' capacity to respond rapidly and effectively to the populations' primary health-care and family planning needs. The two projects have involved beneficiaries in the management of the key components of health promotion, family planning, essential drugs, and cost-recovery programs.

In Guinea, the participation process began during project identification when the findings of a World Bank population, health, and nutrition review were discussed with government officials, field staff, and representatives of beneficiary populations. The approach was designed to get some consensus at different levels on what was wrong with Guinea's health-care system and to identify priority reform measures needed to improve the quality and coverage of health-care. In Benin, the participation process was instituted midway through project preparation, after a new Task Manager promoted the strategy. First, during the preparation phase of both projects, a series of workshops were held in selected communities

¹ This is a summary of the original paper by these authors.

with community members, village elders, women's groups, and youths to diagnose the problems that exist within the health sector. Some of the problems identified included the unavailability of drugs and other health inputs, poor health infrastructure, and lack of health-care staff. Second, similar workshops were organized to seek consensus on how the problems should be addressed and to enlist the commitment of beneficiary groups for future implementation responsibilities. Third, beneficiaries elected four or five members of their communities to serve as members of specific health centers. These community members represent specific interest areas, including financial management and women's interests. During project implementation, the responsibilities of these committees include (a) building community awareness of good health practices, (b) managing the cost recovery and essential drug program at the health center level, (c) participating in the preparation of operating budgets, (d) serving as the community representative and primary intermediary between the population and health staff and health authorities, and (e) instituting community contributions to the care and maintenance of the health facility. In Guinea, governing boards of district hospitals were also created.

At project effectiveness, project launch workshops were held to consolidate participatory mechanisms that had been developed during preparation. Also, health staff and beneficiary participants were helped to internalize their own responsibilities for ensuring efficient implementation. During these workshops, later transformed into annual programming exercises, the objectives and strategies adopted during project preparation are reviewed to ensure adherence to them during implementation. These workshops also serve as vehicles for educating all parties about the project's financing plan, including the role of cost recovery.

Summary of Survey Findings

Survey findings in both countries showed a higher level of community understanding of services offered in the health centers than before; satisfaction with the decrease in the cost of drugs and the greater availability of generic drugs in health centers; appreciation of local autonomy over management of cost recovery funds; and recognition of better performance by health staff who increasingly rely on the community for

help, and who are better equipped to regularly monitor the impact of programs. The surveys also identified the involvement of women in local health management committees at the district and community levels as a strong factor in building community support and raising women's status as community leaders.

The surveys also highlighted common problems hindering beneficiary participation in health program management. First, political commitment at the Central Ministry level needed reinforcing because of the turnover of politically appointed and technical staff in both countries. Awareness of the roles of the LHMCs needs to be heightened through retraining and implementing internal regulations that govern their operations. In some cases there is a lack of motivation and the LHMCs are poorly organized, inefficiently managed, and inadequately informed.

Members of these committees need to be better educated on how to promote health center activities other than cost recovery and cleaning of the premises. The information gathered from the two surveys indicates that these community leaders are not effective in disseminating health messages in their communities.

In Guinea, community participation at the district hospital level was seen to be weak, because the governing boards had not yet become active. This situation is likely to change as the hospitals become rehabilitated and fully operational, and as internal management practices are implemented.

Comparative Analysis

Comparisons between the survey results in Guinea and Benin are described with regard to (a) the quality of communication between the beneficiaries, the LHMCs and the health center staff; and (b) the level of participation of the beneficiaries in the health center activities.

Communication Between Beneficiaries, LHMCs, and Health Center Staff

The survey in each country set out to assess how much the public was being informed about the health services and activities provided at each facility.

In Guinea, the survey established that the population was inadequately informed of these aspects. The reasons given included a lack of motivation among staff and LHMC members, as well as a lack of health education sessions at the health center. On the part of health center staff, their lack of motivation was related to low wages; on the part of the LHMC members, they had not received the training in social communication that had been scheduled to ensure beneficiary participation. Respondents questioned about outreach activities by health staff indicated that these were largely limited to vaccination. Issues about health education, family planning, nutrition, environmental sanitation, and quality of water supply were not often discussed with those people attending vaccination or antenatal sessions at the health centers. Members of LHMCs played little or no role in health education, and their community education activities tended to be focused exclusively on cost recovery efforts. Discussions on these weaknesses at the feedback seminar attributed the problem to the high level of illiteracy and to the small representation of women and youth in the LHMCs. Greater representation of these two groups was recommended as a way to improve the role and effectiveness of LHMCs in health promotion.

In contrast, the survey results from Benin revealed a higher level of understanding among the population about the services provided by local health centers. The Benin survey showed that 98 percent of the 384 interviewees had a clear knowledge of what services were available to the public. The reasons for this increased awareness included more frequent visits by members of the public to health centers; it seemed to have little to do with the quality of community education campaigns by the staff or LHMCs. As in Guinea, LHMCs had concentrated their work thus far on cost recovery activities. Little attention had been given attention to other areas. This practice was evidenced by the fact that less than a third of individuals interviewed were aware of the details of agreements signed between the LHMC and the Ministry of Health—the agreements that had committed beneficiary communities to maintaining the health facility premises.

Level of Beneficiary Participation in Health Center Activities

The surveys in both countries showed that beneficiary participation in the areas of family planning, primary healthcare, and environmental sanitation was built into project design but was quite limited in practice. In Guinea, the community and the LHMCs tend to be marginal when it comes to discussing and seeking solutions. This weakness was the case when it came to civil works related to the rehabilitation of health centers and hospitals. In Benin, this issue was not as serious because major physical rehabilitation work had not started at the time of the survey. However, communities were already active in the maintenance and cleaning of the existing facilities. This effort represents a major departure from the neglect of these facilities prior to launching the project, and it shows a new perception of community responsibility in matters of health care.

Involvement of beneficiaries in project preparation helped to improve their knowledge of simple morbidity causes, enabling them to link malnutrition more easily to poor and unhygienic feeding practices rather than to supernatural causes. This knowledge is further reflected in the number of people who indicated that they seek care at health facilities more often than before the project launch. The results of the study also indicate that health center staff now interact more with the communities than before. In Guinea, 85 percent of the field staff interviewed said that beneficiary participation in program management had helped to improve their work. Nevertheless, more than half of the staff called for more in-service training in the new strategy; they wanted staff who did not participate in the preparation of the project to have a chance to improve their understanding of the program.

The two projects clearly demonstrate the need for a carefully planned and executed training program for health staff and local management committee members to ensure beneficiary participation. Providing the resources for such training is not enough. Initial training sessions on social communication must be followed by repeat courses and additional training in many areas, including sociocultural constraints to better health status. The case of Guinea

also highlights the need to focus on the involvement of women in management committee work. Such emphasis would help ensure a legislative or administrative requirement that the composition of a new committee maintain a gender balance.

The study found that Central Ministry officials were actively involved in the development of the cost recovery and beneficiary participation strategies. They designed and conducted the training of field staff and LHMC members. They reported that the strategy for involving beneficiaries in program management and in cost recovery had strengthened the management capacity of the Ministry of Health; better intra- and interministerial coordination mechanisms had been established. This outcome had contributed to greater integration of the different health programs.

The strategy for involving beneficiaries in program management in the health sector is perceived by beneficiaries as a national strategy that has been generalized nationwide in Guinea and Benin. However, as decisionmaking is decentralized, and the traditional roles of the Ministry of Health begin to change, there is resistance to further decentralization. This resistance was identified in this study through the nonimplementation of training needed to strengthen the roles of LHMCs. However, regional, district, and community level staff indicated that greater decentralization would further improve the effectiveness of the system.

Lessons Learned

The main lessons that emerged from this study regarding beneficiary participation can be summarized as follows:

- *Beneficiary participation has improved project implementation and health service delivery.* This improvement is particularly true for the cost recovery and essential drugs programs, as well as the maintenance of health infrastructure. Establishing dialogue between the population and health staff has helped the staff understand their responsibilities toward the communities and the needs of the communities. In turn, their ability to deliver services has been improved. This benefit has also increased the confidence of the beneficiaries in the health staff. Beneficiaries invest time in participating in managing health programs because they receive better health services. For example the provision of low-cost drugs encourages beneficiaries to use the available health services and participate in their management.
- *Weak dissemination of information is a key impediment to executing program activities effectively.* Participation is a function of information. In both countries, information is inadequately disseminated at all levels. Information on priority programs, such as family planning, is not properly disseminated, particularly to those who are to take part in building community awareness, (i.e., health staff and local management committees). Poor dissemination of information impedes the delivery and quality of services and results in weak understanding and internalization of program goals and objectives.
- *Beneficiaries cannot effectively participate if their roles and responsibilities are not clearly defined and understood.* In the absence of a clearly defined mandate, the work of the hospital governing boards in Guinea was virtually impossible to carry out. In addition, these boards were neither trained nor given appropriate guidance. These shortcomings resulted in ineffective performance in managing health programs and limited motivation and participation.
- *Lack of training is an impediment to building local capacity for program management and to encouraging beneficiary participation.* In both countries, effective performance was reduced because the provision of training to beneficiaries was inadequate. For example, local management committees, whose majority of members were illiterate, were provided with only initial training when they assumed their positions. No additional training followed, despite turnovers and the wide range of activities they were expected to participate, such as management of cost recovery and essential drugs programs, building community awareness on good health practices, and participation in the preparation of operating

budgets for the health facilities. Since the local management committees' functions did not match, their effectiveness was limited.

- *Management functions and decisionmaking need to be decentralized.* Critical decisions are made from the top level and are not appropriately disseminated to those who need to know. This is a major limitation on effective work performance and timely implementation.

Little autonomy is given at the regional and prefectorial levels for the making of decisions related to the staffing of health facilities, management of resources,

and budget preparation. Also, field supervision of health facilities is sporadic, and often those who are directly responsible do not participate or are not provided with any feedback. To strengthen interventions in managing health programs, local management committees need to participate in supervision missions, and effective and transparent control mechanisms need to be established, particularly in managing cost recovery and essential drugs programs.

Finally, beneficiary participation must be seen as an integral part of the decentralization of sector management. This works best where the strategy is seen as a national rather than a project-specific strategy.

Institutional Issues in Participatory Development in Burkina Faso

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Background

Since Independence, Burkina Faso has consistently ranked among the poorest and least developed countries in the world. The country is landlocked with poor soil, irregular rainfall, and few mineral deposits. In thirty years there have been nine different political regimes, many of them coming into power following coups. Despite these problems, Burkina Faso has not experienced the severe balance of payments, debt, and financial problems suffered by most African countries during the past two decades. In fact, over the last ten years the country has made significant progress in the fields of education, health, agriculture, environment, and urban infrastructure.

A number of factors have contributed to this success, including the government's support for innovative participatory development models. Although each regime has conceptualized the objectives and strategies for achieving economic and political development in different ways, each has consistently supported participation at a grassroots level. Interest in this strong tradition of participation led to this study of the role of participation in Burkina Faso's development. The objectives of the study were to (a) examine the ways that high-level commitments to a participatory approach were translated into grassroots interventions; (b) look at the ways these interventions led to revisions in project designs, program policies and national laws; and (c) focus on how institutional mechanisms were used to pass participatory messages upward and downward from the policymakers to the

people. The study examined participation in three sectors: agriculture and natural resource management, health, and urban development. It also looked at the country's historical and cultural background and a number of cross-cutting issues.

Political History

An historic analysis of Burkina Faso shows that the concept of participation was fundamental to the organization of production in each of Burkina's traditional societies. Nevertheless, there were important differences. In traditional hierarchic societies, like the Mossi (who make up about 50 percent of the population), where social status is heavily influenced by birth, the primary motivation is to fulfill family obligation to a political superior or provide mutual aid to a social ally. In contrast, within the noncentralized societies that have little tradition of inherited status, the individual is highly motivated to participate in group labor as an avenue for self-promotion. These two widely varying cultural models have influenced the different responses of the Burkinabè groups to outside interventions.

In addition to the cultural differences, each successive national political regime has defined development and the role of local participation in achieving that development in different ways. During the time of President Yameogo (1960-66), the concept of local participation in development was perceived as a critical *political* means of mobilizing support for national unity. Yameogo also considered recourse to the traditional political system, including

¹ This is a summary of the original paper by these authors.

the administrative powers of provincial and canton chiefs, to be a handicap to his efforts to mobilize the country in pursuit of national development. So he attempted to replace this traditional institutional structure by creating a single national political party.

Yameogo's regime was followed by a fairly tranquil thirteen-year period (1966–80) under General Sangoulé Lamizana. During this time, the country experimented with various participatory models. Under Lamizana, the traditional chiefs' roles were reinstated and the labor unions emerged as representatives of a small but increasingly vocal middle class of salaried workers and civil servants. In contrast to Yameogo's emphasis on *political* change, Lamizana emphasized the role of local participation in *economic* development. This commitment was translated into the following three important sets of policies: (a) a series of laws and decentralized state institutions, the Regional Development Organizations, to reinforce the capacity of the local cooperative and precooperative *groupements* to mobilize local participation in crop and live-stock development; (b) new state institutions to increase national participation in business and industry; and (c) austerity measures to decrease government expenditure by reducing civil servant benefits and salaries.

Another critical turning point was the 1968–73 drought; it precipitated a dramatic increase in bilateral and multilateral development aid. The same period coincided with a rapid expansion of international NGOs who were attracted by Burkina Faso's democratic environment and supportive legislation. Of the forty-five NGOs that came in this period, thirty came originally to provide drought aid. In almost every case, the NGOs quickly transformed themselves into development institutions, and in 1975 they created their own Permanent Secretary for Nongovernmental Organizations to coordinate and harmonize their activities.

The economic policies adopted by the Revolutionary government, which took power in 1983, were designed to correct the macroeconomic trade imbalances that were exacerbated by the drought and a series of economic shocks in the late 1970s. What distinguished this regime was its commitment to a total model of participation, *both* politically and economically. This model included the creation of a new institutional structure—Committees for the Defense of the Revolution

(CDRs)—to mobilize support for the regime's package of radical policy changes. At its base were village and urban neighborhood CDRs, which were linked to a hierarchy of provincial and national CDRs. This total mobilization of people was meant to "purify" the country from some of the corrupt influences that had plagued earlier regimes. Communication continued to be top-down, but through the CDRs instead of the traditional chiefs.

The new government continued the previous regime's emphasis on rural development. At the same time, however, it emphasized the use of local participation to expand the social sectors. Commando campaigns were started to build health facilities and schools. Between 1981 and 1986, more than 4,000 village health posts were built and school attendance rose from 24 percent to 32 percent. This rapid expansion, however, quickly outstripped the capacity of the government and local populations to maintain the programs. More than 600 of the newly constructed schools never received teachers; within six months the majority of the newly created health posts ran out of medications and were abandoned.

After 1987, the government reduced and eventually suppressed the political role of the CDR. This step did not, however, slow the continual development of innovative models of participation. Instead, the successful commando campaigns were perceived as having validated what was already a long-established cultural model of participation. The result has been a new generation of postrevolutionary models for participation that are built on lessons learned from previous generations. Simultaneously, the government has implemented a wide variety of national laws and decrees to support the type of fiscal and administrative decentralization necessary to sustain participatory approaches.

Sector Analyses

Despite the strong governmental emphasis on local participation, sector analyses show the degree to which these initiatives have been translated into actual institutions, and interventions varies widely both by sector and within individual sectors at different times. Moreover, the process has been

influenced by a variety of local, national, and international factors.

Agriculture and Natural Resource Management

As early as 1931, the colonial government realized that to be effective, agricultural policies needed to involve the local population in the implementation of its crop development policies. This realization led to early development of the concept of the cooperative and preoperative *groupements*. Since Burkinabè independence, the *groupement* concept has been reinforced by a long succession of laws and changes in the national extension service. The World Bank strengthened the *groupement* concept through a series of regional development projects to promote commercial cotton production in the 1970s and 1980s. The success of these projects helped make cotton the main engine for national economic growth in the 1980s.

Unfortunately, there was no similar economic incentive to develop local participation in natural resource management. By 1980, the high productivity of the southwest cotton boom area was being threatened by a host of unintended environmental consequences. Moreover, it was increasingly clear that the conventional extension models for promoting popular participation could not reverse the process. To confront this issue, the Burkinabè government embraced a new model of participation; it linked short-term incentives, such as the construction of basic infrastructure, to a community's pledge to adopt sustainable natural resource management. The institutional mechanisms for coordinating this support were the village land management committees, created as part of the new National Program for Village Land Management, which started in 1986. This is a process that the World Bank is supporting this process through its current National Environment Management Project and the Agricultural Support Services Project.

Health

Within the health sector, Burkina Faso's rural population participated as passive beneficiaries of disease vaccination and diagnostic services during

the colonial period and the first twenty years of independence. This passive participation was in sharp contrast to the approach taken by traditional healers. The primary reason for the persistent top-down focus in Burkina's formal health sector was the crisis conditions of the country's health (epidemics, high infant mortality, droughts and resulting malnutrition, and difficulties in obtaining pharmaceuticals). Also, the central government had neither the financial nor personnel resources to sustain a more horizontal system of decentralized rural health services.

Into this health-care vacuum came the first influx of international NGOs for drought relief. Starting in 1979, the NGOs created some of the first models for rural community health. The World Bank supported the development of these models through the first health service development project. The implementation of this new decentralized system was accelerated by two mass mobilization campaigns: one to construct village health posts, and one to increase the vaccination rate. These commando campaigns had an immediate and dramatic effect on health standards and infrastructure. Neither, however, were sustainable, in large part because the beneficiaries were not able to fully participate in the management of the health-care facilities. Even in cases where the beneficiary organizations, NGOs, or Ministry of Health did succeed in establishing a system of autonomous management, the actions of these systems were reduced by the Ministry of Finance laws. These laws necessitated the central management of all financial receipts coming into the clinics, pharmacies, and hospitals. The high levels of rural illiteracy further decreased the efficacy of the rural health committees. Aided by the World Bank, the Burkinabè government has recently enacted new legislation that permits decentralized health management and accounting.

Urban Development

The inability to develop agriculture in the lower potential, plateau zones, combined with the drought, resulted in a dramatic increase in immigration to Burkina Faso's urban areas. By 1985, 11 percent of the country's population was living in the urban areas, primarily in the two largest cities. Most of the settlers moved into squatter zones on the outskirts of the major cities,

where living standards were poor because of the lack of land parcels and infrastructure. Early attempts to improve living conditions in the squatter zones tended to benefit only the wealthier residents and those people who could claim large areas of land through traditional land rights.

In 1974, working with the UNDP Habitat Project, the government tested a radically new pilot program for eliciting high levels of participation in squatter upgrading and site and service development. Households were given urban occupancy permits as a guarantee of tenure, and both low- and middle-income beneficiaries were expected to contribute—financially by paying a portion of the development costs and joining a neighborhood savings and loan cooperative; and physically by volunteering their labor to construct basic infrastructure. Working through the neighborhood chief, project planners conducted a series of socio-economic studies to better understand the population, its goals and needs. The same institutional mechanism was used to organize large meetings to exchange ideas about the project design and to keep the population informed about the evolution of the work once development started. These activities were reinforced by special training sessions for beneficiaries, as well as government technical staff.

In 1976 the government proposed a massive tenfold expansion of the Habitat Project model for squatter upgrades through the First Urban Project, supported by the World Bank. Convinced of the validity of the Habitat model, and in a hurry to launch the project in a timely fashion, project planners did not emphasize the need to involve the beneficiaries in the conceptualization of the project. There do not appear to have been any detailed baseline social or economic studies nor did planning documents emphasize the role of public information sessions. The initial institutional mechanism for communication was through the chiefs and then, after 1983, through the CDR. Almost immediately the planners became embroiled in a series of misunderstandings and disputes with the beneficiaries and other stakeholders. This conflict resulted in long delays and technological changes that dramatically increased the total costs of the project. In spite of these problems, the project surpassed by 25 percent the number of

units that had been anticipated for upgrading the sites and services of the project.

The Dutch-sponsored Progressive Development Model (MAP) benefited from the lessons learned through these two earlier projects. Building on the MAP experience, the government then embarked on a commando subdivision operation to register the squatter areas outside Ouagadougou and Bobo-Dioulasso. The results were dramatic. In two years the government distributed three times more land parcels than in the preceding twenty-three years. By 1990, the combination of the First Urban Project, the MAP program and the commando subdivision campaign had increased the amount of zoned land from 28.6 percent of the total land area of Ouagadougou to 72.9 percent. Subsequent Bank-supported projects have built on these experiences.

Lessons Learned

Based on Burkina Faso's experience with participatory approaches, this study concludes that project planners need to

- define the different forms of participation and the objectives in clear, operational terms and whenever possible, seek a complete model of participation;
- use operational research (pilot projects) to test a particular model of participation before extending it on a larger scale;
- conceptualize participatory projects within the wider national socioeconomic context to ensure sustainability;
- allow a longer-than-average planning phase to organize the local populations and to avoid costly downstream delays and renegotiations of the project design;
- guard against the tendency to implement well-meaning participatory projects as top-down programs with little beneficiary input into their design;
- establish legal documents and coordinating bodies to clarify the roles of international and national NGOs in facilitating participatory approaches;

- exercise some degree of regulation to ensure that a broad range of social and income groups benefit from participatory approaches;
- identify and include conditions for long-term management and maintenance from the beginning of the project; and
- reinforce participatory approaches with basic

literacy programs to equip beneficiaries with the necessary skills to contribute to and benefit from collective activities.

Perhaps the most important lesson learned from the Burkinabè experience is that participatory development demands a global, multisectoral approach that involves all ministries.

Stakeholder Participation in the Design of a Structural Adjustment Program: Case Study of Ghana

*P. V. Obeng*¹

Background

At the initiative of the author, discussions during the appraisal stage of the first Structural Adjustment Program (SAP) in Ghana were opened up beyond the Ministry of Finance and members of the SAP negotiating team. The discussions included key economic ministers and civil servants, trade union and private sector representatives, the umbrella organization of local-level committees for the Defense of the Revolution, and selected members of the press. P.V. Obeng arranged a week-long series of workshops with these stakeholders and ensured that criticisms and disagreements were raised rather than swept under the carpet. At the end of the week, broad consensus had been built in the government, and feelings of suspicion about the Bank had been softened considerably. The following is Obeng's account of the participatory process and its longer term impacts. The paper's question and answer format is based on questions put to Obeng by Sarwar Lateef, the Task Manager of this first Structural Adjustment Credit (SAC) in Ghana.

What factors caused you to open up the design process?

During the early stages (1992–1993) of the Provisional National Defense Council (PNDC), the umbrella organization of local-level committees for the Defense of the Revolution, the administration was characterized by an informal total involvement system of decisionmaking where all kinds of people had a say in the way things were done, whether or

not they held government positions. This was the preferred style of the leadership of the revolution, and it was in this way that discussions were held on the national economic crisis and on how to attain economic recovery.

Then, as the structure of the government shifted from this informal, inclusive arrangement to a more organized system of decisionmaking, many people lost their direct influence on governmental decisionmaking, including decisions on the preferred path to economic recovery. At the same time, once implementation of the Economic Recovery Program (ERP) got under way, modifications had to be made to take into account realities on the ground, but the managers of the ERP were accused of having revised the preliminary version of the program (which had been designed in the inclusive manner) to suit their own political-economic persuasions, making them "revisionists" to the revolutionary process. This generated a good deal of confusion and antagonism, and it was a painful and disruptive process of negotiations to get the various branches of the revolutionary structure back on board the ERP, including the PNDC, Trades Union Congress (TUC), and the Civil Servants Association. Even with this effort, there was still a heavy cost to the revolutionary process, because the rift left scars of mistrust and division.

From then on, the PNDC was determined not to repeat this experience, and practical ways were devised for formalizing one of the most important principles of the revolutionary process—involvement

¹ This is a summary of the original paper by this author.

of all parties in the decisionmaking process. The implementation of the ERP and subsequently the SAP, was done in strict compliance with these principles. Our commitment to total involvement grew as we saw the immense educational potential in the process, which helped to motivate both those directly and indirectly involved in government decisions. This was particularly important since many of those who had been given responsibility for implementation and policy work had little or no experience in these fields.

Could you describe, from your own perspective, the “seminars” held to open up the SAP design process?

The structure adopted for the SAP seminars was a simple one. The first round of discussions on the Structural Adjustment Package, involved an Economic Management Team (essentially a subset of the SAP team) and focused on ensuring that the general nature of the package and the important sectoral elements were broadly consistent with economic policy. This team included the chairman of Committee of PNDC Secretaries, Secretary of Finance, and some selected secretaries in key sector ministries, as well as others selected for their contribution to the technical analysis, even though they did not hold specific sector portfolios.

Once this preliminary vetting had been done for a number of sectoral elements of the program, the full SAP team convened to discuss these parts of the program in detail. These larger meetings covered such topics as the policy content of these components, the implementation strategies and methodologies, measurable targets to be reached, and the appropriate form of performance reporting to the SAP Secretariat.

Every person invited to make a presentation at SAP team meetings was entitled to join in discussions, even if the topic did not relate to his or her portfolio. The decisions of the SAP team on the issues brought before it in these meetings was considered final, since there had been exhaustive, representative and open discussions of these issues.

With the benefit of hindsight, did the seminars achieve their purpose? What were the costs and benefits of this exercise?

The seminars were successful in that the participants expressed their views freely, difficult issues were argued through, and at the end of the day general agreements were reached. In addition, those people who were involved in implementing the SAP policies were able to gain a better understanding about the program by attending the meetings, and those participants who were indirectly involved in the program were very supportive of the conclusions reached in the seminars, and also benefited from the learning experience too.

As for the costs of the exercise, I think there were four: (a) delays due to a lack of coordination at the sectoral level and at the level of the SAP Secretariat; (b) the tendency for “right wing” and “left wing” sentiments to turn discussion of the issues into ideological debates, causing delays, and reducing concentration and patience on all sides; (c) political and technical personnel were taken away from their desks and their regular assignments for a considerable length of time; and (d) the need to acquire logistics for the seminar, at a time when these were in short supply, tended to give the impression that the process was wasteful or involved misapplication of resources.

The benefits of the process included the following (a) issues of coordination of policies, strategies, and monitoring were identified much earlier and could be handled before they became real bottlenecks; (b) the economic decisions to be made on the SAP benefited from the political and technical analyses in the meetings and bridged the ideological divide, to some extent, early on; (c) the educational and awareness raising aspects of the seminars could not have been achieved in any other way, considering the background of those people in key positions at the time; (d) the scarce logistics acquired for the SAP Secretariat then became useful for the agencies implementing the SAP; and (e) as a people, we achieved a sense of ownership of the economic program, a greater acceptance of the consequences of the program, and a stronger commitment to implement it. The inclusion of the private sector, unions, and other interested groups greatly

fostered understanding and made people more ready to see results.

Did this exercise have any impact beyond the first SAP?

The consensus building and participatory process, from my point of view, had a far-reaching impact on the reform program in the sense that it opened up a genuine dialogue on hitherto sensitive and emotional issues, such as the devaluation of the cedi, trade liberalization, and the allocation of scarce foreign exchange resources—topics that were among the most central in the ERP, the subsequent SAP, and beyond. Indeed, once these critical matters had been thoroughly thrashed out and accepted by the various groups, it was easy to forge ahead with the second and third structural adjustment credit, which supported programs with similar objectives.

Did the process change perceptions about the government's approach to economic reform?

The adoption of the participatory approach in the SAP design certainly changed public perception about the government's approach to economic reform. The involvement of social and economic stakeholders in the process introduced more transparency into the reform process and presented the government as democratic-minded; even in the difficult and sensitive area of economic decisionmaking. It also changed the perception that the government was a mere conduit for transmitting predetermined, stereotyped reform packages designed in the dark rooms of the World Bank and the IMF with the sole purpose of inflicting avoidable pain on the population. The government was effectively perceived to be managing a reform program for the country with the active involvement of appropriate representatives of the people who are to endure the pains of its implementation and enjoy the benefits of its success.

Did the experience change perceptions about the role of the World Bank?

The fact that the government went to both the IMF and the World Bank with a program based on our own analysis of the causes of our economic

problems and the steps needed to reverse these problems, spared the World Bank and the IMF from having to tell us the bad news. We identified lack of financial discipline and management weaknesses as part of our problem and proceeded to impose stricter operational conditions on the government, its agencies, and the population. The perception that the World Bank and the IMF impose hard and impossible conditionalities before granting assistance was thus minimized. This enabled the World Bank and the IMF to play the advisory role that is expected of them in a relatively calmer atmosphere. Likewise, exposing the Bank staff to people other than those with economic backgrounds enabled them to see the realities that policy reformers face and helped both sides to fashion more implementable strategies.

What follow-up steps were taken to maintain the momentum generated by this consultative process?

The most important follow-up step taken was to use the same consultative process to identify what else had to be done to consolidate the benefits of the SAP. For example, one discussion examined the fate of the vulnerable groups under the SAP and developing interventions within the Program of Action to Mitigate the Social Cost of Adjustment (PAMSCAD) framework to reduce some of the short-term impacts of the SAP policies. We also institutionalized the consultative approach beyond the central SAP management level to some sectoral levels, and subsequent structural adjustment programs were subjected to the same cross-sectoral scrutiny, using the momentum generated by the original consultative process.

What benefits were gained from the consultative process of the first SAP?

Because all SAP-related agreements went through the consultative process and were negotiated in a comprehensive manner, it was easy to arrange post-negotiation approvals. In fact, in many cases, since all the key people had participated in the process and pre-negotiation approvals had been obtained, the chairman

of the Committee of Secretaries was able to grant administrative approvals under the authority of the PNDC (then the ultimate Executive Body) so credit papers could be sent to the World Bank and IMF for consideration while our own internal processes got under way. In this way, we saved a lot of time.

Another benefit has been the fact that now we do not feel nervous about multisectoral programs or projects, since we have rehearsed and mastered the methodology for conceptualization, design, appraisal, negotiation, implementation, and monitoring of such projects. We have benefited tremendously from that approach. It is also worth mentioning that World Bank appraisal missions that took place during SAP meetings benefited from the comprehensive discussion forum, and much of the policy negotiations took place in Ghana, rather than, as is usually the case, Washington. Only a small negotiating team had to go to Washington for the final negotiation, thus saving costs.

What were the special factors, in your view, that made a positive outcome possible?

The key elements that made the consultations successful were the following:

- (a) The political campaign launched by the head of state at the time, that we as Ghanaians are all part of the problems and should also be part of the solutions. This campaign required the involvement of all active political and social partners in the search for solutions to our national economic difficulties. The response was encouraging as many groups came forward freely to make inputs.
- (b) The meetings were open and frank and opposing views were tolerated without bitterness or intimidation. This encouraged attendance and active involvement of the people.
- (c) Conclusions reached at these sessions were adhered to, and people felt that they were part of the decisionmaking process, so their interest was sustained.

The World Bank Resident Mission in Ghana played a very important coordinating role alongside

the Ministry of Finance and Economic Planning. Under the commitment of the Resident Representative at the time, Mr. Choi, the Resident Mission gave a lot of behind-the-scenes support and helped to get the SAP implementing agencies on board. The mission's main role in progress-chasing of the SAP meeting agenda also helped to get work going according to plan.

How did you choose the invitees to the seminars? How representative were the invited groups of opinions critical of the government or the reform process?

The government selected invitees on the basis of the following two main considerations:

- (a) *economic stakeholders*—including representatives of the Ghana Association of Industry; Employers Association, and the Chambers of Commerce; and
- (b) *social stakeholders*—including representatives of the masses (Committees for the Defense of the Revolution), Trade Union Congress, Ghana National Association of Teachers, and the Civil Servants Association.

Other stakeholders were brought in for the sectoral discussions, including loggers, millers, farmers' representatives, nurses association, and so on. These stakeholder groups included both progovernment and antigovernment elements, and indeed there were both left-wing and right-wing elements in the political base of the government. There was therefore no lack of ideological diversity among those involved in the process, even though the political system at the time was not divided into government groups and formal opposition groups.

We need to admit that NGOs were not drawn into the early discussions. Considering the subject matters dealt with at that stage, their presence may not have been very relevant. NGOs were brought on board later, when national development activities started to focus seriously on social sector issues, and in particular when developing the PAMSCAD program that targeted vulnerable communities and people—areas that usually attract NGO attention and involvement.

What special skills do Bank staff need to facilitate participatory processes in adjustment operations?

A participatory approach to developing and implementing a Structural Adjustment Program will not usually require any special additional technical skills, except if we consider flexibility to adopt new operational attitudes as an additional skill. Bank staff will have to be comfortable with discussing and defending time-tested economic strategies in an environment where not everyone is learned in economics, where local sensitivities are perhaps even based on prejudices. Bank staff will have to learn to tolerate discussions that will even attempt to prove that their economic models are destined to fail and that other models, which have failed elsewhere, will be successful. This approach will make mission periods long and patience

may be lost, but in the end deep-seated prejudices will be dissolved and the relationship between the Bank and the country partner will be closer and more honest.

What lessons can be drawn from the Ghana experience for other countries in relation to stakeholder involvement in the design and implementation of adjustment programs?

There is no doubt that the lessons of the Ghana experience will be useful to other countries. People may speak different languages and belong to different geographical zones but participation, as it relates to human nature, is the same for all peoples. This is what democracy is all about and that is why a democratic approach to decisionmaking recognizes the value of different ideas and opinions.



Community Management in Rural Water Supply in Indonesia

*Karen H. Smith*¹

Background

This study of community management in rural household water supply in Indonesia was carried out in 1993. It focused on the work of two NGOs: one Indonesian—Dian Desa—and one international—CARE. The objective was to identify factors that facilitated or hindered a community management approach in designing, installing, and maintaining household water systems. This paper summarizes the findings of the study and draws some lessons regarding the work of both NGOs and government in this area.

Since 1969, under a succession of national five-year development plans, Indonesia has made dramatic progress in the economic sphere, and in social sectors. Nonetheless, development has had an uneven impact, and in the second twenty-five years of planned national development special priority is to be given to poverty alleviation, human development, and the development of the eastern provinces of Indonesia, which lag behind national averages. Supply of clean water remains a high priority in the national development plans of both central and local government.

Profile of the Two NGOs

Two of the preeminent NGOs working in the water sector in Indonesia are Dian Desa and CARE International Indonesia. They have had notable successes in various parts of the country, particularly in more difficult, less accessible areas which the government has found hard to serve. Both of these organizations operate under similar philosophy; both

aspire to help communities resolve their household water supply problems in self-reliant and self-sustainable ways. Dian Desa, the Indonesian organization, is particularly well known for its interest in village technology (particularly rain water storage tanks) and its skill in helping communities mobilize to address their water problems. CARE, through the years, has been involved in integrated development programs and has been deeply concerned with capacity building and group formation for community management of water supply.

Characteristics of Water Supply Systems Visited

The majority of systems visited in the study used gravity feed. Some of the systems consisted of a simple straight carry from a well-covered source to a limited number of houses, while others had complex branching. Some of the older project sites in Sumbawa and Sulawesi had hand pumps.

Conditions Affecting Community Management

Funding

The systems visited were funded in different ways: 100 percent funded with outside grants; 100 percent community financed; government financed but community managed; or part government funded, part NGO funded. The conditions for community management seemed most favorable where (a) the community groups had been directly involved in raising or managing funds for construction, and where (b) the groups felt they had the required

¹ This is a summary of the original paper by this author.

technical knowledge and skill to understand and modify their system.

A recent development in funding mechanisms is the Community-Financing (CSF) approach, adopted by CARE, largely in East Java. The underlying premise of CSF is that the more a community contributes financially to the construction of a water supply or sanitation system, the greater their sense of ownership and commitment to maintenance. In CSF projects, no seed money or grants are provided by CARE or the government. Instead, field officers assist communities to develop ways to finance their own system using internal resources (such as construction materials, land, or cash collected from individual households) and credit from a local bank, where necessary. To strengthen community planning and management capability, five training events are held in each village during project preparation. Topics include the role and formation of a village Water Supply and Sanitation Management Committee, rules and regulations, operation and maintenance, source protection, and fee collection.

Although its experience is limited, CSF holds much merit and calls for further study. CSF has proven successful in enabling community groups to manage their water supply, and, in some cases, to take on other activities not related to water. For instance, one water-user group in Java became so adept at financial estimates while constructing their water supply system that they formed their own construction team. Putting in bids for small construction contracts in their village, they shut out outside contractors. They keep their profit margin low and reinvest some earnings in their user group's water fund.

Critical Size of Group

In areas where hand pumps were originally installed for group use and maintenance, as more and more families get individual pumps, the number of people served by the group pump diminishes. These small groups voiced a concern that they would not be able to afford a replacement pump when the time came.

Shared Need

In general, fieldworkers felt that user groups are easier to organize when people are using a pipe system which meets a shared need. The continuous work of cleaning pipes, checking joints, and cleaning the reservoir required by a simple pipe system keeps the user group active. However, water-user groups among families using hand pumps are much more difficult to maintain.

Age of Group

Approximately half of the locations visited still had functioning user groups, holding regular meetings with organized work schedules and collection of dues. This practice was strongest in the newer groups, which had been more involved in substantive decision-making about their system and had received management training. In older groups, where their activities were limited to the provision of water, the leaders sometimes seemed more like benevolent despots. Much less was heard of group decisionmaking or changes in the system other than those the leader himself thought good for the group.

Development of Leadership

Both NGOs have found that development of the managerial level of user groups should take place slowly. Field staff and community members agree that the present procedures used work well. During project preparation and initial construction work, a committee is formed of the intended beneficiaries who are interested in volunteering their time. During this period leadership has time to emerge. By the time the water supply system is in place a permanent management board can be elected from among group members. While there is often much continuity in leadership, there have also been some changes; this approach leaves the door open to change if group members want it.

Participation of Women

In the water systems visited, there was a traditional gender division of labor. The women used the water, and the men were dominant in the management of the water-user groups. If there were any women in the management boards they

tended to be more in supportive roles than leadership positions. In most cases, women had not been trained in repair or maintenance work, though they were usually the ones who were first aware of minor problems and often knew what repairs were needed. Some women interviewed at a standpipe commented about the slow response of the management board (most of whom were men): "They talk too much and are too slow to take care of the repairs we want."

A notable exception to this pattern was evident in a village in Flores, where there had been heavy out-migration of men in search of work, and the village (including the water users group) was left largely in the hands of the women. These women had earned the respect of the fieldworkers by doing much of the carrying and hauling of sand, cement, and other supplies to the spring capture when the water system was put into place. In that situation, had the outside facilitator or the community waited until more men were present, the system might never have been built.

Limitations of Government Programs

In principle, the community-based approaches used by the two NGOs and the government are similar. The government follows a bottom-up planning process whereby village development councils identify and prioritize community needs, develop action plans, and specify resource requirements. These plans are then progressively consolidated and passed up through a series of planning and budgeting meetings to the central level. If approved, funds are usually made available fifteen months after submission by the village development council.

In practice, however, the government programs lack sufficient, well-qualified fieldworkers to facilitate the needs of the identification and planning process. As a result, decisions are often made in a nonparticipatory manner and represent the interests of the village leader or a small group of power holders.

With these field staff shortages, government fieldworkers usually have to cover many more communities than the field officers of either CARE or Dian Desa. Thus, they cannot make the frequent

visits or conduct the community training events, as NGO workers can. Neither can they respond as quickly or flexibly to community needs, as their NGO counterparts can.

Both community members and government officials mentioned two distinctions between NGOs and the government programs in relation to participation. In contrast to the government programs, the NGO programs involved community members in dialogue and decisionmaking as well as implementation. And, the NGO workers were noticeably different from government fieldworkers in the nature, style, and timing of their facilitation work and in their advice, criticism, and encouragement of community members.

The primary obstacle for government programs to be more participatory is the standard government system for planning, transferring, and accounting for funds. Government personnel do not have the time, authority, or resources to make changes to the overall design plans or to available resources. Worse still, a delay in the government system often means waiting a year for the next fiscal year. All these factors mitigate against government staff being able to take time to facilitate local decision-making and confidence building. They also result in a slow process (typically eighteen to twenty-four months from the initial request from the village to actual construction of the water system). In contrast NGO programs, may be lengthier in the initial stages, but the overall time required is substantially shorter.

One other area where NGO programs have proved more successful is in working in "difficult areas," (i.e., with more remote communities, communities that previously had shown little initiative, or communities who were less cooperative). These types of communities generally require more lengthy and personal interaction with the fieldworkers.

Positive Role of Government

Despite the above limitations of government programs, there are several ways in which government can support a community-based approach to water supply. First, government funds can be used to give communities more control over the work. In one district in South Sulawesi, for example, the

planning board had made the village level committee "project manager," to supervise the contractor working on the water system construction. The results were good. The planning board was expecting to earmark additional funds to use in the same way in the future.

Local government has a particularly important role to play in community-based approaches. Their creative use of resources can speed up the provision of supplies to villages that are ready to maintain and improve their water systems. Their advocacy at the provincial level can increase their own access

to appropriate resources. Their understanding of government regulations, special programs (e.g., for poor communities, and for village infrastructure) can attract additional resources. They can devise reporting and accounting systems that are easy enough for village committees to handle, while complying with government requirements. Finally, the association of district level government (particularly the district head and the district planning board) with community management programs, fieldworkers, and supervisors can ease entry into new subdistricts and villages.

Community Participation in Waste Management in the Kathmandu Valley, Nepal

*Stephen Stern*¹

Background

There is a serious and growing problem of poor sanitation management in the Kathmandu Valley of Nepal. Uncollected waste lies scattered inside communities and along footpaths. In the absence of adequate dumpsites or landfills, municipal governments often sweep garbage into roadside drains. The Department of Water and Sewerage may then move the garbage back onto the road, which the Department of Roads will then gather into mounds beside the road to dry and disperse. What doesn't sit and rot on roads or in community open spaces finds its way into the holy rivers or ponds of the valley—a major source of clogging, flooding, and disease.

The valley has seen a rapid growth of its urban areas; this sprawl has overwhelmed the traditional Guthi (trust) system of using land revenues to finance community welfare and ritual activities. A 1980s GTZ-funded solid waste management project made some progress in establishing a garbage collection system and set up a national Solid Waste Management and Resource Mobilization Center (SWM-RMC). But these activities further undermined traditional systems; they replaced household payments to sweeper castes with unclearly delineated responsibilities for collection, transfer, and disposal of wastes by SWM-RMC and municipalities.

Since the end of direct GTZ support, the SWM-RMC and municipalities have failed to sort out their responsibilities and with the waste problem becoming increasingly evident to both local people and economically crucial tourists, public concern has led businesses, communities, and NGOs to put pressure on government and to take action themselves.

The World Bank's Metropolitan Environmental Improvement Program (MEIP) has been operating in the Kathmandu Valley since late 1993 to support the coordination of environmental activities. Working with the national government-led interagency Urban Environmental Management Committee (UEMC), MEIP carries out a program of activities at the *strategic* (policy and investment) and *community* (demonstration project and awareness) levels.

With support from the SIDA participation fund, the MEIP program started a one-year project to test a participatory action planning approach to waste management in three wards of Kathmandu. The objective was to test processes through which communities would express their developmental and environmental needs, develop community-based environmental action plans, and take part in the Bank's project formulation and implementation. The three wards selected for this project were one with (a) a largely Tibetan refugee population and significant environmental problems associated with their carpet factories; (b) a large market area, whose surroundings had become urbanized in the last decade with a large floating population seeking

¹ This is a summary of the original paper by this author.

daily wage labor; and (c) another ward that included a wealthy residential district and a densely populated Bazaar with a large population of low income residents. All three wards faced multiple problems from lack of waste collection and management.

Building Consensus and Confidence among the Partners

The project team—consisting of a community development specialist from the NGO sector, a sanitary engineer, and three women social scientists—began by approaching the ward chairpersons to seek their cooperation for a community-based project. Officials in the three wards vigorously described their constraints to waste management, stemming from lack of municipal disposal sites and equipment failures. After protracted discussions with the MEIP team, ward officers decided that, even though municipal action would not be immediately forthcoming, much could be done at the ward level to improve local waste management, and for that, community involvement was essential.

The leaders of two wards identified Community-Based Organizations (CBOs) who had taken some waste management initiatives in the past to become partners in working with the wider community. The third ward was characterized by problems of political differences between the ward officials, the municipality and relevant CBOs; thus, a partnership approach was prohibited. Ultimately, the project team found an influential temple social worker in the ward who was able to identify community members who could discuss waste management with ward officials. The ward in turn mobilized committees of community members from the Bazaar section, including a newly formed women's organization.

With initial partners identified, the project team facilitated meetings among CBOs, community members, and ward officials to discuss the project. In these first meetings, community members and CBOs blasted ward, municipality, and government for the dysfunctional solid waste management system. Ward members countered with criticisms of community disregard for proper disposal of wastes and lack of participation in the limited waste collection and street cleaning that did take

place. The communities resisted the project team's suggestion of starting with a baseline survey of environmental conditions and practices. The communities argued instead for an early demonstration of useful actions by ward, municipality, and government to overcome the mistrust that had been generated by previous government and externally assisted waste management efforts.

Some community members urged government to get new contributions from donors, as they had from GTZ. Others argued that elimination of traditional service charges and dependence on donors had been a mistake. These discussions brought rough agreement that ward-level action should be taken, based on community participation in decisionmaking, implementation, and monitoring.

The project team then facilitated a further round of meetings, focusing on the capacity and commitment of the various partners (central and municipal government, ward officials, CBOs, and communities) and on the history of mistrust between them. Subsequent meetings were set up where these different partners laid out the major problems of waste management in the valley. These problems included the practice of throwing waste in streets and drains; open burning of garbage; inaccessible unpaved roads prone to clogging and flooding; indiscriminate waste disposal by factories, markets, vendors, and restaurants; lack of organized dumpsites, physical facilities, and equipment; and irregular municipal and ward services.

At this stage, it was felt premature to mention the role of the World Bank and SIDA, because such disclosure may have raised expectations and reinforced any patterns of dependency. A World Bank staff member, on making an early visit to the project sites, was identified only as a free-lance urban development specialist.

The wards then initiated the formation of working committees, based on the established CBOs and the newly formed groups, to be focal points of community involvement. It was decided that some street and open space cleaning would not only make visible impact on the waste problem, but would also sensitize the communities about the

need for their broader involvement. These cleanup activities included door-to-door collections of waste, a special cleanup on Lord Buddha's birthday, and additional community-provided incentives to street sweepers.

The working committees were now open to the project team's argument that without reliable baseline data on the current waste situation, it would be impossible to develop a practical and cooperative approach to waste management. The team and committees prepared questionnaires on the critical information required, and volunteers were recruited from the communities and given day-long training on how to conduct the survey.

Survey and Action Planning Workshops

The surveys included consultations with households, restaurants, factories and organizations, as well as measurements of waste characteristics and waste management practices, over a four-day period. Across the wards it was found that up to 85 percent of the waste was either recyclable or compostable; nevertheless, as much as half or more of the wastes had been indiscriminately dumped. Households accounted for 45 percent of the waste, businesses 52 percent, and organizations 3 percent. The volunteers who conducted the surveys became a new cadre of residents to work with the CBOs and ward on project implementation. They also created a new focus of community pressure to keep the project moving forward.

A series of ward level workshops was held to disseminate the baseline information and formulate action plans. The workshops took up the questions of responsibilities of ward and CBOs; feasibility of composting at the ward level; the sorting and sale of recyclables to dealers; issues beyond the scope of ward-level action; how to approach municipalities and Ministry of Local Development; required equipment and fund mobilization; and community response to the initial activities undertaken.

A waste collection plan was drawn up by each ward. Tricycles and pushcarts were identified as a more cost-effective and nonpolluting alternative to tractor or truck collection of waste. There was also agreement to take up collection and sale of recyclables

in each community, and a scavenger subdealer was identified in one of the wards. Composting organic wastes was keenly supported, but lack of available land was a limitation. The CBOs in the third ward agreed to campaign for composting in private yards as part of a "greening the locality" effort.

The ward committees gave functional authorization to each of the partner CBOs to operate solid waste management programs in their communities. They also obtained municipal approval for CBOs to collect fees and generate incomes from wastes. Ward budget was set aside in each of the communities as a contribution to the project. Service charges for CBO-led waste collection were discussed, and the potential generation of income from recyclables was identified as a means for financing ward-level waste management in the long term.

Kathmandu municipality (although reorganizing its sanitation department and without a permanent dumpsite in the valley) offered to use its waste transfer equipment to assist in taking ward wastes to temporary sites. It emphasized, however, that some delays were inevitable due to the lack of space and because of the environmental hazards of dumping.

Local-Level Actions

In order to better prepare communities for their role in local-level waste management, a training program was set up by the project team. A team of trainers with experience in community work and technology transfer first trained the CBOs as community trainers. Then they advised as the CBOs trained their communities in compost making and use; waste separation; and production of products from recycled paper. In addition, women-led CBOs (who play leading roles in two of the wards) were given week-long training in organizational management, accounting and bookkeeping, fund raising, networking, and conflict resolution.

In each of the wards, tripartite agreements were drawn up between the ward, the CBOs, and MEIP. They set down the financial contribution of each ward during the project year and the financial expectations from the wards and the CBOs after external support ended. The agreements were widely

disseminated in the communities. At the same time, project information and decisions were refined and communicated through small group and mass meetings, house-to-house visits, and public information boards.

The specific activities set in place in each ward included provision of disposal containers for shops and public areas; restrictions on dumping; door-to-door collections with MEIP-provided tricycles and handcarts; sale of buckets for organic and nonorganic wastes to households; sale of recyclables to scavenger dealers; a demonstration community composting plot; conversion of a dumpsite into a community park and garden; and establishment of a revolving fund to pay sweepers and maintain equipment.

The impact of the action programs were assessed through surveys of the ward officers and CBOs. The assessment also drew on community focus group discussions and quantitative measurement of waste and comparison with the baseline survey. The ward officers surveyed found their CBO counterparts to be effective and innovative, to have increased public awareness and pressure on the wards, and to have made ward work easier through CBO supervision of the projects. Wards expressed a strong desire to maintain the CBO and ward relationship and to deepen the involvement of other waste management partners.

The CBOs cited improved relationships with the ward and their satisfaction with the regular waste collection practices that had grown from extensive discussions and community participation. The CBOs felt that the unpaid volunteer nature of their members' involvement was a potential constraint on sustainability.

The community focus groups were appreciative of area cleanups, regular waste collection, and the start made on composting and paper-sorting activities. There was strong support for continued CBO leadership in these areas. More than 80 percent expressed willingness to pay service charges to see the activities continued.

The quantitative waste measurements found that up to 90 percent or more of the waste that had been indiscriminately dumped in the communities was now collected. The amount of waste composted

and recyclables sold increased sharply, although the absolute amounts were still a small proportion of the total compostables and recyclables in the communities. However, even these marginal increases led to a significant decrease (between 10 percent to 30 percent) in the volume of residual waste needing disposal. To properly dispose of the residuals now being collected at the ward level, the next steps indicated were an additional reduction in the volume of residual wastes by further development of recycling and composting activities and a strengthening of the institutional capacity of ward, municipality, and national government.

Lessons Learned

The following lessons about achievements and obstacles to sustainability can be drawn from this participation project:

- *The ward and CBO relationship was the crucial building block for wide community involvement.*

Poor relations between elected officials and informal community leaders in Asian urban neighborhoods is often a stumbling block to community-development efforts. In this project, a strong emphasis was placed on bringing together community activists, CBO leaders, and ward officials, and pooling their experience in waste management and community organization. Structured facilitation turned their estrangement and conflict into mutual recognition of problems and potentials.

- *Demonstrating intentions, instead of delivering a "blueprint," led to strong community ownership.*

The project team put on the table their vision of a learning process that began with baseline surveys of the waste and sanitation conditions. In the face of strong "not another donor-funded study" response from ward, CBOs, and community alike, the team instead assisted the working committees to implement test cleanup activities. These good faith project works jump-started community interest in the project and the survey work then became a key manifestation of community belief in the project and a vehicle for increasing communitywide participation in the activities.

- *Project-developed, cost-sharing mechanisms are crucial for sustainability.*

During the year of project operations, the World Bank and SIDA participation fund was matched by ward and community-generated funds. Sources of these ward-level funds included ward waste management budgets; service charges for CBO-organized waste collection from households, shops, and organizations; and community-specific vehicle tariffs, fees for waste containers, revolving funds to pay sweepers, membership fees from “greening the locality” efforts, and proceeds from the sale of recyclables.

An analysis of the financial commitment to the project shows that MEIP (through the World Bank–SIDA fund) contributed US\$14,300 for equipment, materials, meeting, survey, and training costs. The CBOs and wards generated US\$25,700 for equipment, materials, and paid sweeper labor. The costs in salary for the MEIP project team were US\$15,400 paid by the World Bank–SIDA fund. A conservative estimate of the value of community volunteer and CBO labor (at US\$60 per month) is US\$5,760. Thus, the total MEIP share was 49 percent and the contribution by wards and communities was 51 percent.

Commitments of resources have been made by ward officers to carry the project beyond the time of external funding. The collection of service charges and the selling of properly sorted wastes under CBO leadership are the foundations of long-term cost recovery and sustainability of these ward-level waste management schemes.

- *Bottom-up community initiatives must ultimately link with decisions on systemwide waste management.*

The project’s essential ward level partnerships were forged by linking community members (frustrated by

the lack of services) with ward officials (overwhelmed by the lack of support and resources to deliver services). While these partnerships were able to achieve significant results, further action was severely limited by the tenuousness of project links to municipal and national government actions. In particular, more progress on recycling and composting—as well as actions to address concerns about paving, drainage, and sanitation—will require more technical and financial resources than are available at the ward and project level; it will also require strong municipal commitment.

- *Facilitation of local institution building is an important focus for donor and local partnerships.*

The presence of MEIP—and its links to the World Bank, government agencies, and the NGO sector—was crucial in facilitating these community participation tests, even while larger policy and investment questions remained on hold. These community projects have provided a demonstration that was expected to be replicated in two Bank-supported investment projects in Nepal. However, these projects have been delayed or postponed. Momentum for further action is still being maintained at the ward level, but MEIP’s facilitation and support must not be regarded as a substitute for municipal and government action.

As an approach to the provision of sustainable rural household water supply community management holds much merit. Nevertheless, it is no more “fad proof” in its results than other approaches. If reasonably and consistently applied, however, it holds great potential for effective, efficient, and sustainable improvements in rural household water supply. At the same time, evidence exists that this approach provides an opportunity for community and individual empowerment through new skills of management problem solving that promote self-reliance and self-respect.

Farmers' Participation in National Irrigation Systems in the Philippines

*NIACONSULT*¹

Background

In the Philippines the irrigation development program of the government is planned and implemented by the National Irrigation Administration (NIA), a semiautonomous government agency established in 1964. NIA plans, constructs, and manages the *national* irrigation systems of the government and collects irrigation service fees from the farmers served by these systems. NIA also works with farmers to plan, construct, and improve *communal* irrigation systems owned (or to be owned) by farmers' groups. In general, national systems are larger than 1,000 hectares in service area, while communal systems are smaller. NIA has always considered irrigation associations (IAs) essential in both national and communal systems because of the complex and interrelated tasks involved in irrigation system management—including water distribution, system maintenance, conflict management, and resource mobilization. Over time this emphasis led to various forms of farmer participation in irrigation development. This paper analyzes the "what," "why," and "how" of farmers' participation in the national systems, examines the role of the World Bank, and discusses the lessons learned.

Management of an irrigation system involves at least the following three levels: (a) the tertiary level of turnout service area, covering up to fifty

hectares with some thirty or more farmers; (b) the secondary level, which delivers water to the turnouts; and (c) the primary level, consisting of the facilities for drawing water from the source and the main canals that feed water to the secondary level. When the government built the first national irrigation system, it established a policy that the construction and management of the tertiary level is the responsibility of farmers and the secondary and primary levels are the responsibility of the government.

Farmer participation in NIA national systems can be considered both a means and an end. It is a means for improving relations with farmers and achieving financial viability for NIA through improved collection of irrigation fees and lower operation and maintenance (O&M) costs. It is also an end in itself, because participation has strengthened farmers' leadership and organizational capacity and given them experience in group planning, decision-making, and implementation of irrigation system O&M activities. Thus farmers contribute to the national policy of people's empowerment.

In the first fifteen years of its existence, NIA used agricultural extension methods to organize farmers into groups for channeling credit and agricultural inputs. Under this approach, farmers were organized after construction of irrigation facilities had been completed. It was thought that

¹ This is a summary of the original paper by Benjamin Bagadion and Ted I. Ehera with the assistance of Efren Rabacal, Aquilina Mandoza and other members of the NIACONSULT research team.

the provision of credit and agricultural inputs would be sufficient incentive for farmers to organize themselves to construct and maintain farm ditches and manage water equitably. This was essentially a "top-down" approach to motivating farmers to organize. Meetings were held with farmers at the turnout levels, and information sharing and consultation procedures were used. There were considerable problems with this approach. The organized groups tended to break down because the incentives to organize were insufficient. The groups were not able to sustain any responsibility for maintaining the irrigation systems. Also, as the annual fee collection was only about 30 percent of annual billings, this income could not cover the O&M costs of the systems. At the same time, farmers felt irrigation was the responsibility of the government, and they did not need to participate in this public work, just as they did not need to participate in constructing roads, bridges, or schools.

Later, when this "extension-based" approach was seen to have limited success, NIA tried a new approach that had been tested successfully two years before in communal irrigation projects. In this "communals-based" approach, farmers were organized before the construction of irrigation facilities, and the planning and construction activities were used to mobilize the farmers and develop leadership.

Sharing Responsibility with Farmers

In December 1980, NIA top management applied the communals-based approach to organizing farmers in the Buhi-Lalo Irrigation Project, a national system to be improved and expanded from 1,000 to 3,000 hectares. Community organizers (CO) were recruited to organize farmers to take responsibility for O&M of the irrigation system—not only at the tertiary level but also the secondary level, as authorized in NIA's amended charter. The COs modified the participatory approach of the communal systems. They lived in the villages, mixed with the farmers, and started mobilizing farmers into small groups based on turnout service areas. In this work, the COs contacted farmers individually to spot potential leaders and identify irrigation problems and issues around which to mobilize the farmers. Each of the small groups became a construction unit with a group leader.

The farmers discussed and agreed with engineers on the locations of turnouts and farm ditches, and then, as a way of developing cooperation and decision-making within the groups, each group was awarded a construction contract for those canals that could be built manually. As construction progressed, the COs helped the small groups organize into three zone associations. In this form, the farmers could better negotiate with NIA about how the O&M responsibilities were to be shared. They could also decide better how the irrigation fees collected could be shared between NIA and the associations.

In mid-1982 the three zone associations invited NIA top management for negotiations on a proposal prepared by the associations to take over O&M in the service areas of their organizations. Nothing like this had happened before in the history of the national systems. Previously, NIA had been exhorting farmers, through various "top-down" methods, to have them assume O&M responsibilities at the tertiary level. Now it was the reverse. Farmers were initiating action to take responsibility not only at the turnout level but at the secondary level too. In response, the NIA Assistant Administrator for Operations went to the project site. Negotiations lasted for two days. The final agreement was that NIA would be responsible for the diversion dam and the first 1.5 kilometers of the main canal. The three associations were responsible for the rest of the main canal and the irrigation facilities in each of their areas. A system of irrigation fees sharing was also agreed upon—each association would collect the fees under NIA supervision. The first 50 percent of the fees to be collected each season would be split 35:65 between the association and NIA. Any additional fees collected would be split 65:35. NIA also provided the associations with training in system management and financial management.

With the successful application of the participatory approach in the Buhi-Lalo project, NIA decided in 1982 to follow this approach in the preexisting Bank-financed National Irrigation Systems Improvement Project 1 and 2 (NISIP). A central group of staff committed to development of participatory procedures was established in NIA to spearhead an Irrigation Community Organizing Program and additional COs and supervising staff

were recruited and trained. The irrigation superintendents and their technical staff were also trained in how to respond appropriately to farmer participation. During the expansion of the participatory approach in the national systems, NIA also developed a process for training farmers as farmer irrigation organizers (FIOs). Their goal was to encourage farmers to organize and participate in the improvement of their irrigation systems. The irrigation associations thus formed were governed by the farmers, who decided on the constitution, rules and regulations of these associations. The associations were also given legal status; they were registered with the government and allowed to do business with the government and other bodies.

The transfer of the participatory approach of the communal systems to the national systems was by no means immediate or complete. Some seven to nine months of farmer organizing and preparation were required to ensure well-functioning groups and successful NIA-farmer negotiations on shared O&M responsibility. Training had to be provided to NIA technical staff, COs, and farmers. This was a lengthy and costly process with no financial resources available. Transfer of O&M responsibility varied from (a) farmers being responsible for canal maintenance and water distribution only; to (b) farmers being responsible for water distribution and collection of irrigation fees; to (c) full transfer of responsibility for O&M to farmers.

One problem that hampered the expansion of the participatory approach was that in some instances, handing over responsibility for O&M to farmers displaced ditchtenders and water masters. In these cases, NIA tried to transfer or retire these individuals, but this was not always possible. In 1985, the Assistant Administrator, who initiated the participatory approach in the national systems, retired. The interest of NIA top management in this program decreased, and the policy changed to one of sharing responsibility of O&M with farmers only after ditchtenders had retired.

Role of the World Bank

The World Bank has played a leading investment role in the Philippines' irrigation sector. However, while the Bank provides loans to the government to

support NIA, the Bank had no role in the initial development of participatory approaches in the communal and national systems. Rather, some of the irrigation projects supported by the Bank in the Philippines included NIA's participatory approach, namely the Communal Irrigation Development Projects 1 and 2 (CIDP) and the Irrigation Operation Support Projects 1 and 2 (IOSP), as well as the earlier NISIP projects. The participatory component (i.e., irrigation association development component to support farmer participation activities) supported by the Bank loans has typically been 5 percent of the total Bank loan to the project as a whole.

World Bank support for these participatory components has produced both positive and negative impacts. On the one hand, the Bank's support for farmer participation activities in the communal systems increased the credibility of this participatory approach in the eyes of other outside institutions. One of these observers, the Asian Development Bank, later added its support for the participatory approach in its loans. Similarly, the Bank's inclusion of irrigation association development component in the design of IOSP 1 made possible the grant from USAID for the nationwide expansion of the participatory program in the national systems.

On the other hand, the IA support in CIDP 1 and IOSP 1 turned out to be less than helpful operationally. While NIA's participatory programs had involved careful sequencing of a set of interconnected activities, (including recruitment and training of COs; organization of IAs and consultations and agreements with IAs prior to construction; training of IAs at various points in the development process and their registration; and turnover of O&M responsibilities to organized IAs through negotiated NIA-IA contract), the IA components of CIDP 1 and IOSP 1 supported only some of these features. An important omission was the lack of specific provisions for the salaries and per diems of the COs (the projects supported only their training). As these community organizers played a key critical role in promoting farmer participation in the planning and construction of subprojects, this lack of provision for their salaries contributed to the low implementation rate of subprojects. This in turn was a contributing factor

in the low level of success for the overall project and almost half of the Bank loan had to be canceled and the project closing dates extended three times. The CO salary problem was rectified in CIDP 2 where salaries, per diem and supplies of COs and their supervisors were covered.

Another problem arose from the emphasis, in IOSP 1, on targeted increases both in the annual funding levels of O&M expenses NIA had to incur and the total amount of irrigation service fees it was to collect annually. Consequently, it undermined NIA's earlier concepts of not only the turning over of responsibilities to organized IAs and the sharing of fees (so-called Stage II contracts) but also the complete turnover of irrigation systems to IAs (Stage III contracts). As the project targets could not be met with Stage II and Stage III programs which assumed that NIA would reduce both its income and expenditures by delegating greater authority to the IAs, the Stage II contracts were split into separate canal cleaning and fee collection contracts, and Stage III contracts were deliberately discouraged. Thus, the Bank-financed IOSP 1 project has weakened NIA's earlier participatory programs and reduced farmer's participation from broader O&M managerial experience to more narrowly defined tasks.

Lessons Learned

The NIA experience in farmer participation has proven to be beneficial for the farmers and the NIA. In fact, irrigation systems where farmers are responsible for O&M perform better in size of dry season benefited area and amount of irrigation fees collected. They also had lower O&M costs per hectare.

Two basic requirements for fostering farmer participation are (a) the development of an effective policy

requiring participation, and (b) an unwavering commitment by the highest management level to the implementation of these policies. These standards are necessary because introducing farmers' participation requires change, and change is always resisted by those who fear it will make work more difficult, or who feel that they know best what is good for the farmer, or who are content with routine and not receptive to change. In NIA this change had to be supported by the NIA Administrator. Pressure exerted by farmers on an agency whose leadership is indifferent has often been counterproductive.

Promoting farmer participation requires continuous motivation of irrigation agency personnel. For this requirement, each national system and each provincial and regional office of NIA was given responsibility for the financial viability of the system or office. Financial viability was made a primary measure of performance with commensurate rewards. This strategy generated strong motivation for NIA personnel to continuously promote farmer participation and to lower O&M costs and increase fee collection.

For the World Bank, the same incentives and policies must be in place to encourage staff to adopt participatory approaches. While staff performance is measured by the number of loans approved rather than the success of the projects, and while there is no clear mandate and policy statement on participation from the Board, there will be resistance by some Bank staff to the adoption of participatory approaches.

Still, the experience of the Bank in supporting NIA's participatory programs demonstrates its capacity to support farmers' participation under favorable conditions—in this case, where the implementing agency (NIA) had had years of experience in planning and implementing participatory programs even before Bank support.

Popular Participation in Brazil: Northeast Rural Development Program

Conrad Kottak, Alberto Costa, Rosane Prado¹

Background

Development assistance for the rural poor of the Brazilian Northeast has been a focus of World Bank lending since the mid-1970s. The latest generation of projects began in 1986, but results were disappointing due in part to the absence of local community participation. After a midterm review highlighted these problems, the program was reformulated to emphasize beneficiary participation in identification, preparation, and implementation of projects. The reformulated Northeast Rural Development Program (NRDP) began in 1993. It comprises rural development lending that targets thousands of rural families in ten states in the Brazilian Northeast. The original NRDP was created by the Brazilian government in 1985 with Bank assistance to (a) augment agricultural production, (b) increase employment for low-income families, and (c) promote water resource development to reduce small farmer vulnerability to drought. The NRDP originally had five components implemented by state-level technical units linked to state Planning or Agricultural Secretariats. The components were (a) water resources development, including irrigation; (b) agricultural research and rural extension; (c) agricultural credit for crop and livestock investments; (d) marketing services and training; and (e) support to small rural communities for beneficiary group mobilization and small-scale community-managed productive and infrastructural investments.

By 1991, the NRDP program lagged, with uneven implementation. Some components, such as rural

water supply, exceeded targets; others were delayed. At midterm only 25 percent of total costs had been expended, rather than 58 percent as expected. From a design viewpoint, the program was thought to be performing poorly because it lacked sufficient emphasis on beneficiary participation. Implementation problems included erratic counterpart funding and top-down project administration by a technical staff that beneficiaries perceived as ineffective and remote.

The reformulated NRDP attempts to resolve these problems by reallocating loan funds to three types of activities. First is the FUMAC pilot program—Municipal Fund to Support Rural Communities—modeled after the Mexican Solidaridad experience; it is being implemented in selected municipalities in each state. FUMAC mandates the formation of municipal councils to elicit, evaluate, and recommend community-based development projects to state technical units. FUMAC also explores alternative fiscal mechanisms as a means of increasing popular participation in development planning. The second type of activity is PAC projects. They consist of small community grants for a range of productive, infrastructural and social projects. They are planned and implemented by beneficiary organizations, and they require local cost sharing. The third component, subprojects, includes a few larger scale investments; they involved small farmers from several communities, and they are managed by apex beneficiary organizations. This activity is a residual component from the earlier project format. It includes only those subprojects

¹ This is a summary of the original paper by these authors.

where preparation is well advanced or where implementation has started. As the reformulated NRDP has been implemented, the number of sub-projects in the pipeline has been significantly reduced because the technical units have concluded that PAC and FUMAC are better ways of allocating project funds.

States are to supply 40 percent of counterpart financing, including 10 percent to 20 percent from benefiting farmers. For the FUMAC program, municipalities will also share some of the costs. Under the new terms of the program, beneficiary groups may select from a menu of investment options, using funds provided by the program to contract services and technical assistance. They may choose from state agencies, nongovernmental organizations, and private firms, and they can terminate agreements with groups or agencies that do not perform.

Although the Bank took the initiative in proposing the program's reorientation, the Brazilian government and the concerned states agreed strongly that the NRDP needed reformulation. Given Brazil's fiscal difficulties and macroeconomic instability, the borrower even considered canceling the program unless a more cost-effective approach to poverty alleviation could be found. The Bank discussed the reformulated approach with the Brazilian counterparts, and the government welcomed its participatory features because they seemed to fit with a growing national sentiment for transparency, accountability, decentralization, and giving power and control to the people. This sentiment grew with the demilitarization of the Brazilian government in the mid-1980s. Reaction to the NRDP reformulation was so favorable that the financially weak Northeastern state governments agreed to share the costs; they sacrificed other projects and programs to accommodate this program in their budgets. The revised program, and especially the FUMAC component, had a promising start in most states. Initial difficulties were fewer than expected and states and municipalities proved willing to make corrections. There is a high probability that FUMAC will succeed and eventually dominate the program.

This paper reports on a study of popular participation in the reformulated NRDP and other recent participatory development experiences in

Northeast Brazil. The study aimed at identifying factors that foster or impede successful participatory development in this part of Brazil. A baseline survey of twenty-four municipalities and communities within the project area was conducted in 1993 and a subsequent detailed study of eleven municipalities was completed in early 1994. These eleven case studies used a range of social research methods, including participant observation and survey techniques. Each case study included meetings and semistructured interviews with key officials and participants. The study included 120 interviews with association presidents and local leaders, and 440 structured interviews with community members. A wide range of local groups were visited, including associations, cooperatives, labor unions, youth groups, and mothers' clubs. The eleven sites included municipalities where PAC or FUMAC components of the program were planned, as well as municipalities where subprojects had already started.

Main Findings of the Study

The following lessons emerged from the study; the lessons concern the nature and sociopolitical context of participatory development in Northeast Brazil, and the World Bank's role in supporting participatory approaches in this area of the country.

Politics and Elites

Recurrent scandals about corruption have fueled massive distrust of politics in Brazil. The citizens have generalized their suspicion to the entire class of politicians and they have adopted the view that power corrupts. This view almost always emerged in discussions about community associations. Informants consistently singled out political manipulation as the main problem confronting associations and cooperatives. According to the association presidents interviewed, politics now revolve around the issue of associations. They feared that projects would be manipulated for the political ends of various interest groups. Northeastern towns are typically split into (at least) two factions, one in power and the other out. Thus, rivals suspect and accuse each other of using associations for personal political ends, such as obtaining benefits in exchange for votes or using new organizational opportunities to challenge existing authority.

On the one hand, politicians can and do use associations for their own political goals. Politicians may portray themselves as the benefactors of an association, attempting to convert its membership into a network of personal supporters and reproducing clientship patterns of the past. The creation of an association can be considered a favor, and it is common to hear that a politician helped found an association or assisted with its papers or legal work. On the other hand, although most of them do not bring it up, many leaders of community associations are planning political careers of their own. Some of these leaders have been coopted by traditional politicians, either as ward captains or as eventual candidates for some office. The prevalent opinion is that association leaders are seeking to win the support of their members for future political gain. It is not the rule, but association presidents who eventually pursue political careers may end up following the example of traditional politicians, attempting to convert their association into an electoral base.

The rise of the community association as an important political actor has produced two distinct reactions; they depend on the position that each political group has occupied in the political order—old or new elites. The newly emerging elites regard associations as the best means they have of reducing the power of traditionally dominant groups. For these new elites, the development of civic consciousness and the idea of citizenship as active participation in community affairs are keys to changing the political system. The growth and success of community associations rely on the support of these new elites. And, while the traditional elites are widely regarded as the main opponents of social change, with the most to lose from increased civic consciousness and organized popular participation, some of these traditional elites support the associative model for the wrong reasons. They use it as a means of eschewing responsibility for solving the social and economic problems of those they have dominated and exploited.

Alongside these reactions by the elite groups are the expectations of the more enlightened local leaders that community organizations and local leadership will raise people's awareness of their rights and will mobilize the community to claim

their rights. They see these organizations as a means of mobilization, not necessarily for self-management. They recognize that poverty prevents these communities from ending their dependence on external support or exempting the state or elites from their responsibilities. In this way, the success criteria for associations that community leaders strive for work in opposition to the intended political manipulation of the associations by traditional elites.

The Local Level

Participatory projects are implemented at the local level. Here they involve local politicians whose political interests and arena of action they often interfere. This means that high-level political support for a participatory approach is not enough. Officials at a lower level may support a project because they think they can get something from it, or they may oppose it because they think it may harm their interests. Sometimes local opposition is extreme. One municipal boss who vigorously opposes participatory projects got rich as a middleman; he felt personally threatened by the formation of a local association whose goal was to regulate the sale of local products at the expense of the middlemen. He tried to infiltrate the association; when that was unsuccessful, he accused the association of being linked to the leftist Workers' Party, hoping to stir up state-level opposition and reduce the flow of resources to the project. The boss invoked a communist threat at the state level. He claimed that the reform in marketing was a mere precursor to the real goal of agrarian reform, including land redistribution.

Using Existing Social Organization

Cross-culturally, it has been found that local groups tend to be most effective when based on or clearly related to traditional social organization. Despite Northeastern Brazil's long and predominant history of vertical social ties based on stratification, paternalism, dependency and clientship, some areas also contain traditional forms of collective organization and mobilization. The traditional collective forms of the Brazilian northeast include *mutirão* (work groups formed, for example to repair a bridge or for mutual aid at harvest time), peasant

leagues, labor movements and cooperatives. Participatory development projects are helping to revive this collectivist tradition, which is popular and antielite. Participatory projects seem most likely to succeed in communities that have previously been organized and whose local people are aware of their obligations toward associations. Without some organizational base in the community, projects are unlikely to succeed, and without financial support for projects, associations will not grow.

Government and NGOs

In Brazil, NGOs have played an important role in pressuring the government to adopt participatory development approaches. But some NGOs have contributed to a confrontational atmosphere; thus they have created obstacles to their own effective participation in development activities. Still, plenty of examples were found of effective NGO-government collaboration. NGOs were found to be most effective when they did not resist working with the state and when they accepted working in a limited area, with limited pragmatic goals. Less successful NGOs have mainly idealistic long-range goals, such as raising civic consciousness as a means to change the political system. The most effective NGOs usually share such idealistic goals, but they are more practical and work-oriented, undertaking capacity building and fund-raising to develop their own projects.

Formation and Maintenance of Local Organizations

Community associations and cooperatives in the Brazilian Northeast face a series of common problems, including

- (a) lack of funds to maintain self-sufficiency;
- (b) lack of capacity, including technical and accounting skills that creates a dependence on external funding and support agencies;
- (c) a low rate of participation and lack of awareness among members of the association's nature and objectives;

- (d) a lack of renewal of the leadership structure, which saps the energy of association presidents;
- (e) in some cases, use of the association to launch its leader's political career;
- (f) in many cases, control of associations by traditional politicians who use associations to advance their personal interests; and
- (g) centralization of decisionmaking and the existence of nondemocratic practices within the association.

Besides actual, suspected, or feared political manipulation, the two problems that leaders of community associations most often mentioned were (a) precarious financial support for the association, and (b) members' lack of participation, commitment, and loyalty to the group. The leaders view these two problems as correlated, mutually reinforcing, and the cause of many other problems. A belief shared by association presidents and rural extension workers is that the low level of participation reflects a general lack of interest, which derives from a kind of social apathy that is seen as characterizing the collective personality of Northeast Brazilians. Most of the people interviewed defined the small rural producer, artisan or fisherman/woman as trained by centuries of domination to receive and owe all his or her needs to a patron in a superior position. Associative life is seen as a possible cure for this character trait, by promoting a revolution in the habits, customs, and psychology of the people.

However, associations seem to face problems of low participation because of the prevailing idea that associations exist to bring specific benefits to the community and to obtain the financing for these benefits. In other words, people are motivated by the promise or possibility of immediate advantage, rather than the idea of the community as a basic social unit. Once they have obtained all they can for the moment, their interest fades and the association weakens. This motivation creates another problem, the need for capacity building. Most communities do not have the capacity to prepare, implement, and maintain the projects they need. External technical assistance is unavoidable, and often the relation between an external entity and the local association moves beyond support and

becomes one of dependency. Sometimes the technicians and experts voluntarily assume positions of power and authority, but often they are endowed with these responsibilities by the community they are serving. And so, instead of encouraging feelings of self-reliance among the association members, capacity building can recreate relations of vertical dependency between the association and the external support organizations.

A final point on the formation and maintenance of local organizations is that successful associations rarely include the landless. They are associations of small rural producers who have some control over land, because they live either in resettlement areas (where settlers often lack actual land titles) or elsewhere (where the state has granted them secure access to land). Interestingly, associations are generally strong in resettlement areas, because the farmers have already organized in the struggle to obtain land. Small producers with control over land are relatively free of the *coronelismo* system of bosses, they have a means of independent existence. People who rely on a *coronel* have less need for associations, because the bosses, they think, look after their interests.

Participation by Women and Young People

The importance of rural women's work in the Brazilian northeast is well documented, and in recent years some NGOs, government agencies, and the Roman Catholic church have begun to target programs toward rural women. Still, the leaders and members of production-oriented associations tend to be men. Greater female participation was found in associations in fishing communities than in agricultural communities. This trend may be due to the fact that fishermen spend much of their time at sea; thus they minimize land-based activities and tend to have a lack of interest in community affairs. Therefore, men tend to delegate land-based collective activity to women. In general, women seem to perform better than men in multipurpose associations. People commented that women have more of an associative mentality than do men. Certainly, the church seems to have an easier time organizing women (who tend to be more devout Roman Catholics than men), often in opposition to local political

leaders. When association leaders were asked about female participation, most supported it because they considered that women have more time, show more interest, have better knowledge of local life, can follow through with specific tasks, and above all, have a better understanding of the significance of associations.

Many women do attend association meetings, usually because of the absence of their husbands. When this absence is temporary, the wife goes in the husband's place and represents him. Sometimes title to land is a prerequisite for participation, and land is more likely to be registered in a man's name than a woman's. Widows do inherit land titles, and when a husband is absent for an extended period, the wife often becomes an active member in her own right. In some places, a crisis in local production has led men to emigrate to cities in search of employment. The wives of such emigrants are known as "widows of living husbands," and their participation in associations can be strong and effective.

The participation of young people in productive associations is very low. According to the leaders interviewed, young people are most likely to leave the community because of the severe 1993-94 drought and the lack of land and jobs. Many leaders also mentioned a general lack of interest among youths in serious community matters, saying that soccer draws youths away from association activities. Despite these views, youths do not appear adverse to participation in group activities. In fact, two associations in one community had been formed by young people. The associations originally formed to organize carnival celebrations; subsequently they were expanded to assume multiple functions.

Funding Mechanisms

When asked about which kind of funding mechanisms they prefer, association presidents drew a distinction between the optimal mechanisms now (during a severe drought) and those that would work best under better conditions. Grants they said were best now, given the crisis in

economic production—people have little money to make repayments. But for less troubled times, grants pose problems. They felt that recipients can become addicted to charity, so they don't work hard or take the project seriously. Ideally, these leaders said, it is better to require some kind of repayment, either in the form of labor, products or money.

Costs and Benefits of Popular Participation

The study examined some of the risks involved in encouraging community participation in the Brazilian Northeast. As already mentioned, this part of the country is a society with centuries-old traditions of domination, clientship, and paternalism. Here subordinates are accustomed to obtaining benefits as favors from elite patrons. The elites, in turn, are accustomed to distributing favors and benefiting from their distribution. To encourage popular participation is therefore to undermine this political system of interpersonal relationships based on loyalty and honor, as well as submission and violence. Such nondemocratic traditions are on the wane throughout the world, but this regional tradition is so strong that there are risks in opposing it. And, since this tradition is so strong, supporting community associations may in fact risk reproducing the creation of new chiefs, godfathers, and bosses as leaders of the associations. Leadership to promote democratic action and consciousness may be reinterpreted as a favor by both leaders and followers. NGO leaders who strive to enhance the idea of citizenship and who oppose traditional politicians may end up becoming patrons and godfathers themselves.

The benefits of participatory development can be evaluated over time. Various criteria can be used,

including greater civic consciousness, group sustainability, increased production, better diets, and incomes. However it must be recognized that as long as the drought continues it will be difficult for people to recognize improvement, and the different factors that will contribute to a subsequent improvement in living conditions will be difficult to separate.

Lessons Learned

The World Bank's Role in Promoting Participation

The study findings point to the importance of Bank staff being in the field to monitor the problems and limitations of the program. One reason why a strong and constant Bank field presence is required in Northeastern Brazil is: the institutions and agencies responsible for implementing the programs lack legitimacy with the target population, given the perception of government corruption. The association presidents interviewed during the study wanted intensive supervision by the Bank. They wanted Bank staff to keep government officials from neglecting or subverting the rules of the project and to help make beneficiaries feel more responsible for implementation.

The study findings also suggest that the Bank may best support participation when it can "buy into a good thing," not necessarily create it. The reformulated NRDP is most likely to succeed where active local organizations already exist and where there is a favorable political climate for participatory development.

Ecuador: Campesino Participation in the National Rural Development Program

*Thomas Carroll*¹

Background

The National Rural Development Program (PRONADER) in Ecuador is a large integrated rural development (IRD) project. It costs a total of US\$112.7 million, of which the World Bank is contributing US\$84 million. PRONADER is the latest in a series of externally funded IRD projects in Ecuador. Its design reflects an attempt to learn from the lessons of previous IRD experiences by incorporating the following participation-enhancing features: the use of consultative processes, a decentralized execution, the involvement of NGOs and farmer organizations, and greater flexibility. Indeed, one stated objective of PRONADER is to promote intensive participation of beneficiaries at all levels. At the same time, however, the project is a complex one. It is made up of eleven different components (the three largest being for irrigation, feeder roads, and on-farm credit) and implemented by two different ministries and six semi-independent agencies. PRONADER operates in twelve zones of the country and will benefit 23,000 families. This paper examines some of the difficulties in applying participatory mechanisms in such a project. The paper also highlights the project's success in making its participation objectives operational.

Participation in Project Preparation

PRONADER was prepared in a collaborative way by a team of professionals from within Ecuador and from other Latin American countries.

Many of the team members were experienced in rural development. Some had previous work experience in rural NGOs. Social scientists were included on the team. This composition helped in devising a participatory approach for the project; it is worth noting that the participatory elements were not pushed by the social scientists; rather they were proposed or readily accepted by the Ecuadorean agronomists and engineers. In the design of the project the preparation team held extensive consultations with beneficiary groups and other stakeholders. These meetings explored the preferred infrastructure and production investments in different zones.

However, the preparation of the project was not without problems. While the Bank Task Manager was supportive of a participatory design, some of the Bank consultants in the preproject missions were not supportive. A number of the consultants seemed to have been unfamiliar with the country and with local realities and were insensitive to social and equity concerns and beneficiary participation. They concerned themselves more with technical and financial matters.

The design team felt that too little time was set aside for project preparation, and that the pressure of lending deadlines limited their ability to explore more innovative approaches to project formulation. The Task Manager, for his part, felt that with more time and perhaps more carefully selected staff and consultants, the proposed participatory principles

¹ This is a summary of the original paper by this author.

could have been more fully translated into practical participatory mechanisms. The extra costs, he felt, would have been justified by the improved results. He also felt that if there had been less pressure to move quickly, the Bank team would have had a better chance of convincing the government to give beneficiaries more responsibility in the project. As it was, the government's main interest in participation seemed to be to (a) obtain beneficiary contributions for the infrastructure works, and (b) count on local organizations for serving as counterparts in the provision of credit and irrigation services, rather than giving them more meaningful responsibility for the project components. There was also suspicion among the government toward second-level campesino organizations (seen as being influenced by left-wing politics) and NGOs (seen as opponents of official policies). Indeed, the role of NGOs was never properly defined. It is unclear whether this weakness was due to insufficient collaboration with the most experienced rural NGOs in Ecuador or to the reluctance of NGOs to become involved with the government and the Bank. It appears that many of these shortcomings and feelings of mutual distrust could have been overcome if there had been more time for stakeholder meetings and joint-planning exercises.

Participation in Project Implementation

As designed, project implementation was intended to include a number of different participatory elements, among them the following: (a) a participatory assessment of farmer needs in key productive technologies and inputs to generate technology in response to real demand, (b) the use of farmer volunteers as community promoters in technology diffusion, (c) the organization of water-user associations to assume some operational responsibility in the irrigation component, (d) the establishment of a demand-driven community development fund (FODECO) to finance small production and agroprocessing ventures, and (e) the representation of farmer organizations and NGOs at various levels of the project.

The realities of participation in the project turned out to be quite different. It seems that the local implementation teams (composed of professionals from each of the implementing agencies), established in each zone where the project was operating, had

insufficient understanding of the nature and value of participation. These teams applied their own interpretations of the planned participatory activities listed above; this practice led to much weaker forms of participation than those originally envisaged.

For example, there is only token participation in the productive components of the project. To begin with, there was no real participatory assessment, even though this methodology is well known in Ecuador. Token participation has led in many instances to situations where project activities do not correspond to the expressed priorities of the intended beneficiaries; project staff are seen by communities as selling what the project can supply, rather than talking with the local people and finding out what their needs are. No doubt this is due in part to the pressure that project staff are under to show progress in predetermined directions. The problems resulting from this mismatch of supply and demand include the fact that some project components are undertaken with no proper coordination or sequencing.

Another weakness in the participatory aspects of the project stems from the tendency of implementation team members to create different beneficiary groups to manage different component activities. This scheme can cause jealousies and tensions within communities when these groups become the exclusive beneficiaries of project resources at the expense of other members of the community.

For its part, the Bank imposed its own limitations on the implementation of participatory mechanisms. The Bank set predetermined numerical and physical targets (such as kilometers of road built or number of training sessions held) without consideration of process or quality indicators. Procurement regulations, both of the Bank and the government, seriously limit the participation of beneficiary membership groups and prohibit them from managing the local construction activities; even small payments for communal public works cannot be made because of lack of legal recognition of the community group, or because of restrictions on advances of cash transfers and competitive bidding requirements.

More fundamental problems became evident during implementation. The official implementing agency, the Ministry of Social Welfare (MSW) (which had had little part in the preparation work) did not have much ownership of the project, and it had little experience of either participatory approaches or production-related programs. The implementation had to be distributed among a series of central agencies. These agencies had poor coordination between themselves and little or no decentralization to local government or local councils, which could have been more accountable and conducive to local participation. Furthermore, a change of government part way through the project brought a change of leadership to MSW. The high-level supporters of the rural development approach of the project were replaced by a succession of more traditionally welfare-oriented ministers. These institutional problems have occupied supervision missions and, during the first two years of the project, dominated Bank-government dialogue to the exclusion of participatory issues.

Partisan political interests also proved damaging. One obvious example was a senior MSW official in the previous administration. Without much attention to genuine demand or careful appraisal, he personally authorized some 100 FODECO subprojects to boost his own electoral popularity in the short term.

Some Significant Successes

In spite of the unfavorable political and administrative environment for participation, a number of the zonal offices are managing to follow the participatory approaches devised for the project. In eleven of the twelve zones, local production committees have been set up with farmer participation. In all the zones farmer extension workers are being used to determine locally appropriate technological options. NGOs have been employed to organize training courses for irrigation groups, and study trips to Colombia have been organized for project staff to observe how irrigation and road maintenance can be successfully managed by beneficiaries. FODECO has implemented 150 small productive group projects; all include training in cooperative management. One-third of these projects were awarded to women's groups. Indeed, gender issues seem to have been well

addressed in several components. One third of the 4,600 land titles authorized in the project are for women.

One encouraging trend for the project is the changing face of second-level campesino associations—potentially important intermediaries for farmer participation. Formerly characterized as political advocacy groups and often dominated by self-serving leaders with little management and financial capacity, some of these federations are now successfully taking on marketing or agro-processing operations within the project. Some have become solid farmer-owned and managed businesses. This outcome has been achieved through a long intensive process of capacity building, often spearheaded by NGOs.

Leadership of the project is also looking promising. In mid-1994, a well-qualified technical director was appointed. He is determined to correct the overall institutional problems mentioned above and is also seriously interested in participatory issues to achieve sustainability. Also, project staff seem to have good relations with communities, more so when they come from the same region in which they work.

Lessons Learned

This study of the project's preparatory stages has yielded the following two main lessons with regard to the importance of clearly establishing a participatory approach from the outset.

First, reliance on a high-quality design team, even if it includes nationals of the country, is insufficient to assure government ownership and commitment. Because a change of regime, as happened during this project, brings with it the risks of a shift away from a participatory orientation and removal of key supportive officials, it seems wise to anchor the project at a more local level with true decentralizing of responsibility to accountable bodies.

Second, where the agencies responsible for the project have an incomplete understanding of participatory problems, more time needs to be set aside for preparation. Also more time is needed to allow a more intensive dialogue between the Bank and various stakeholders, and more time is needed

to agree on the necessary obligations of each group. During project preparation, the key institutional mechanisms for consultation, information sharing, and devolution of responsibility need to be clearly spelled out, even if in practice these mechanisms may not always operate as intended.

The implementation of the project has revealed some of the key requirements that help promote a more participatory approach. These include the following:

- Willingness of the government implementing agency to share and transfer managerial authority to beneficiary groups or their representatives. Where this kind of attitude is not part of official culture or is not encouraged by the staff incentive structure, there needs to be a continuous process of motivation and learning for all levels of agency staff. In this regard, participatory training needs to be an integral part of the project design; preferably it should be delivered by a group independent of the politics of the implementing agencies.
- Time to develop a mutual learning process between the different stakeholders, especially in situations of wide social differences or where there has been little experience of negotiation between stakeholders.
- Assistance and training of campesino representatives to help them understand their role and responsibilities.
- Flexibility for making changes in participatory mechanisms as experience accumulates.

Finally, the study of the PRONADER experience has shown the value of working with second-level peasant associations, which in Ecuador function like cooperative enterprises. These associations are often weak in management and financial capacity, but they can, with some capacity building and learning-by-doing, take some responsibility for recurrent services, such as extension and marketing; thus they can enhance beneficiary participation and sustainability. The fact that PRONADER has made little use of these organizations may be due in part to their reputation as political bodies with strong advocacy positions vis-à-vis the government, especially on

land reform issues. However, this practice is changing as many of these associations shift from political to economic issues, and as they become more sound financially and hence more accountable and attractive to their membership. One important lesson remains: investments in institution building and initial financing of these organizations can be highly cost effective, and if these organizations are to be built from scratch a considerable investment of time is required—longer than the normal Bank project period. However, projects can use organizations built up by previous efforts and can build new ones with which subsequent projects can work.

Indicators of Participation

The team studying participation in the PRONADER project devised a set of five indicators to measure the intensity of beneficiary participation in project activities. The participation indicators relate to whether beneficiaries, either individually or in groups,

- (a) receive and share information, express preferences, and make their demands known;
- (b) take initiatives, make proposals, contribute resources toward implementation;
- (c) benefit from being trained in a learning and acting mode, take decisions related to the project;
- (d) share implementation responsibilities, progress toward self-management; and
- (e) assume responsibility for the functioning, operation, and maintenance of installations and services.

Using these indicators and a scale of 1 to 3, the team scored the level of participation achieved by each subproject. The results were poor (no subproject scored more than two), though the most promising sectors for improved participation are irrigation, agro-industry, and marketing, where considerable self-management experience exists. One of the recommendations of the study is to use such indicators to (a) monitor the progression in participation, (b) feed into the dialogue between the Bank and the government, and (c) help make timely adjustments when necessary.

Participation in the Resettlement Operations of the Zimapan Hydroelectric Project, Mexico

Maria Clara Mejia and Salamon Namhad¹

Background

This paper focuses on the lessons learned about people's participation in the involuntary resettlement component of the Zimapan Hydroelectric Project, financed by the World Bank. At the time of the project (the loan was approved in 1989) neither the borrower, the Mexican Federal Electricity Commission (CFE), nor the people who had to be resettled had much experience with participatory development strategies. Most of the participants were accustomed to "top-down" development. The Bank insisted on a participatory approach to resettlement planning and implementation. In reality the success of the participatory aspects of the project varied considerably between different affected communities. This paper looks at some of the contrasting experiences of different settlements.

The project consisted of a 200-meter-high concrete dam, about 250 kilometers north of Mexico City. The dam had an associated power house, tunnel, and substation to generate electricity. The project was built by the CFE at a cost of US\$418 million, of which the Bank financed US\$125 million. The dam creates a 23,000-hectare reservoir on the Moctezuma River in a dry mountain region. This area is extremely poor except for a few mining enterprises and orchards on the scarce alluvial soils of the steep canyons. About 10 percent of the inundated land was farmed by about 3,500 people, more than 2,000 of whom had to be resettled. The affected settlements were located on both banks of

the river, which divides the states of Hidalgo and Queretaro. The settlements were part of *ejidos*, Mexico's communal land holdings created by presidential decree after the revolution, when the large haciendas were handed back to the peasants. The bulk of these lands, on both sides of the river, consist of massive rock formations and poor soils. Only a minority of families had access to fertile valley bottom lands, irrigated by diversion channels from the rivers. Many of the men had to migrate in search of wage labor.

In Hidalgo, about thirty-eight families had to be resettled, from three different *ejidos*. They are Otomi indigenous people who subsist by rearing livestock and cultivating maize, fruit trees, cactus, and other products. These people are less inclined to migrate. In Queretaro, about 480 families had to be resettled from three different settlements of a single *ejido*, Vista Hermosa. Here some affected people had rich orchards and corn fields and migrated less, but many were migrant workers and over the years many female-headed households were created when husbands failed to return.

At first glance, forced resettlement might be the last place one would expect to find an example of successful people's participation. Yet, there is no way (short of police action) to mobilize and relocate a community other than to organize their participation in their own resettlement. This was a lesson that was learned over time by CFE, and certainly the early stages of the project, prior to

¹ This is a summary of the original paper by these authors.

Bank support, were conducted without local communities being consulted or even informed.

Participation in Resettlement

Resettlement changes everything. Whether the involuntary displacement is due to construction of highways, airports, dams, or other infra-structure, the impacts are potentially enormous. Economic production systems are dismantled as farms, orchards, wells, and houses are expropriated. Social systems are disrupted as communities fission and social support for the most vulnerable breaks down. World Bank policy on resettlement is therefore oriented toward reconstruction of the social and economic production systems of the displaced people in their new location. In a phrase, all resettlement operations must, at a minimum, reestablish prior systems of economic and social production and, if possible, improve them.

Any plan for resettlement and the participation of people in it can never fully anticipate all future social consequences. During implementation, therefore, resettlement operations require greater attention and support than practically any other component of the project; no matter how complete and detailed the resettlement plan, it must be continuously adjusted and refined to meet unanticipated events and emerging social realities. One of the critical lessons from this project is that *people respond differently to the opportunity presented by participation as well as the threat of resettlement*. Some learn very quickly how to maximize benefits flowing from the situation, while others have less opportunity to do so.

The Major Stakeholders: CFE, the Affected People, and the World Bank

This paper focuses on the three main stakeholder groups: the project owner, CFE; the affected people; and the financing agency, the World Bank.

CFE experience with involuntary resettlement in previous hydroelectric projects did not require any systematic participation of the affected people to achieve CFE's primary objective: removal of people to permit construction of the civil works. Indeed, a top-down approach to resettlement planning and implementation was not seen as negative.

Strikes, protests, and other forms of resistance by the affected people were viewed as a necessary cost of doing this kind of business. And CFE is a powerful central government institution that enjoys ample resources—human, financial and political—to draw on to confront and manage almost any obstacle that presents itself.

The affected people were seen by the CFE only as beneficiaries, who were going to get new and better housing and infrastructure in exchange for structures lost; they were not seen as people who were about to suffer a dramatic and potentially debilitating forced change. The arrival of the hydroelectric project in the region created uncertainty and doubt in the community about the promised benefits of the project. The community was skeptical of such promises, and based on prior experience, expected corruption and arbitrariness from government officials.

The CFE and the communities mistrusted one another from the beginning and had conflicting objectives and methods. In the face of initial suspicion and distrust, the only viable option perceived at first by CFE was to impose vertical decisionmaking, trying to minimize the cost of resettlement and deliver the promised benefits.

During preparation of the loan, the Bank team was operating with instructions on the preparation of resettlement components (namely the Bank's Operational Directive on Resettlement). It clearly called for direct participation of the affected people in the planning process. The Bank team had to be insistent through the course of difficult negotiations to induce the CFE to adopt the changes needed to reach a resettlement with adequate community participation. To make the participatory process viable, the CFE had to change its internal organizational structure and its social policies. At first, CFE demonstrated a deep resistance to these changes, but the legal agreements signed with the Bank to finance the project included changes in the overall structure and social policy of the company.

So in 1989 a Social Development Office was created within the CFE. This office reported directly to the Director General. The office had responsibility to carry out studies and actions necessary to mitigate the social impacts caused by involuntary displacement, and it had the authority to design and implement the resettlement program.

For their part, the communities also experienced significant changes in their internal organization as they prepared to defend themselves against perceived threats from CFE and to participate in building their future.

In summary, all three stakeholder groups involved in this complex interaction were transformed by the necessity to negotiate: the CFE had to adopt certain institutional changes to create the capacity to handle the participatory process; the affected people had to adapt their traditional decisionmaking mechanisms to enable them to participate directly; and the Bank teams, from preparation to supervision, had to learn to listen carefully and assist the borrower and the affected people in designing mechanisms to negotiate conflicts and their solutions.

Different Project Impacts in Different Communities

The Zimapan project had very different processes and impacts in the two states where it is located. In the communities belonging to the Vista Hermosa ejido in Queretaro State, the process of negotiation was complicated, full of tension, and with results that even now cannot be considered satisfactory. By contrast, the negotiations with the communities in Hidalgo state were smoother, more harmonious, and yielded satisfactory results with regard to the renewal of productive activities and the improvement of the quality of life of the affected families.

In Hidalgo, the Otomi population was living in small, scattered, and isolated settlements. Only small parts of the three different ejidos were affected and sometimes only lands were affected, not houses. In addition, the affected areas were far from the project's civil works construction, and therefore they had little day-to-day contact with the

construction workers or the government engineers. Because the ejidos were not affected by the initial civil works, negotiations here began late in the construction process. The Social Development Office negotiated with individual families and small groups of families, as well as with the ejidos as a whole. Decisions were taken in small groups of affected people, and final agreements were reached with each family, individually. The affected people of Hidalgo were employed as construction workers in building their new locations, and they began cultivating their new lands before they lost their old plots, before even their new towns were completed. People moved without major problems and expressed their satisfaction with the new situation. The ejido leaders who negotiated this relocation now lead the development of the new settlements.

In Queretaro state, the affected population belonged to a single ejido, and the outmigration for work had meant that many men from the community were in contact with the "outside world" in the region and the country as a whole. All the houses in the center of the Vista Hermosa ejido were lost, and all irrigated lands available to the ejido members were inundated. The ejido and the new resettlement town being constructed were within a few minutes of the dam construction zone. Significant cultural impacts stemmed from the arrival of contractors and work brigades for the power plant.

The negotiations by CFE began earlier in this state, because the impacts of the project were felt much earlier here than in Hidalgo. The negotiating team from the Social Development Office lived nearby the ejido, and team members were in daily contact with the community members. Decisions were made in large ejido assemblies. This forum inhibited the expression of individual opinions and the voice of women and those whose views differed from those of the ejido leaders. Finally, successive delays and broken promises by CFE in the early stages led to suspicion and doubt among the local people. The decisionmaking process eventually narrowed to include only ejido leaders and Social Development Office officials.

The participation of Vista Hermosa community members in the project included employment as construction workers and transporters of materials to the project site. The ejido also received rent from the use of ejidal lands and payment for extraction of construction materials (gravel, sand, and rock) by CFE. A good deal of internal conflict in the community cropped up over the influx of indemnification and compensation money from CFE and the use of these new resources. A Committee for Indemnification was formed and was able to negotiate larger payments for houses, fences, and other structures lost to the reservoir. A Committee for Housing Supervision was also formed. It was responsible for overseeing construction of the new settlement. This committee made significant changes to the original design of houses and the number and type of public buildings constructed. The livelihoods of the community underwent a rapid change, from rural livelihood and customs to more urban, modern lifestyles. At the height of the conflicts between Vista Hermosa members and CFE, the community organized work stoppages, protests, and closure of access roads. Supervision missions by the World Bank were denied permission to visit the affected communities.

When the people moved into the new town, about one month prior to reservoir filling, they expressed satisfaction with the new housing (despite problems with the drinking water supply and buildings still unfinished). But they refused to accept the replacement irrigated lands prepared for them and insisted on a cash payment instead. This decision was based on a growing realization among community members (but not by CFE) that their community was too socially fragmented and politically splintered to operate the land as a collective ranch. The CFE technicians argued that a collective ranch was the more economically efficient option, but the ejido members wanted individual family plots; however the new irrigation system, unlike their old one, was only viable if operated under cooperative management by all families. Nevertheless, the cash equivalents were paid, and the money was mostly invested in consumption and in trucks and other equipment; very little of it was used to buy farmland. Many families lost their principal economic activity, while others accumulated enough capital to start

private businesses in the new settlement. The head of the ejido who led negotiations during the early years was killed in 1991, and a new group of leaders took control of the community, its new-found financial resources, and the negotiations with CFE. The community now only has very poor seasonal lands and does not have the economic production activities in place to replace lost income. The sustainability of the new services provided by some community members is uncertain, given the low purchasing capacity of the majority of residents. The future of the ejido community is uncertain.

Lessons Learned

The resettlement and negotiation process in Queretaro provides a wealth of lessons on participatory approaches, the reasons for the different impacts in the two different states, and the role of the World Bank in minimizing negative impacts and encouraging participation.

The main factors that seem to have impeded a more participatory process in Queretaro include (a) the community not being involved in the early stages of the planning process; (b) the authoritarian and top-down approach by CFE at the start of negotiations, with no clear information given to the community; (c) centralized decisionmaking processes by ejido leaders; (d) delays and unfulfilled promises by CFE throughout; (e) insufficient socioeconomic studies during the resettlement planning process; (f) the new Land Law passed by the Mexican Government, allowing the sale of ejido lands (coming at a time when participation was breaking down) that provided the affected people and the CFE a way out of the impasse; (g) a lack of independent professional and technical advisers for the affected community; (h) the (still unsolved) murder of the ejido head, which exacerbated the internal factional conflicts and introduced an element of fear into the interaction of community members; (i) the influence and personal economic interests of some community leaders, who had substantial control of the financial resources and who acted as legal representatives before CFE; (j) a decisionmaking process that

prevented women's participation; (k) the paternalistic attitude of CFE when it heard community requests; and (l) use of a single resettlement strategy in a community that was composed of distinct segments with very different needs and capabilities.

The affected people organized themselves into a top-down, hierarchical decisionmaking structure in response to a similar approach taken by CFE. The community leaders developed authoritarian and vertical methods for negotiation and control. There were no mechanisms for conflict resolution, except by majority vote and, in some cases, intimidation and fear. The new leaders, following the murder of the ejido head, acquired despotic and centralized attitudes in response to the traditionally similar approach of CFE. This behavior was evident during the early negotiations. In other words, the affected people organized themselves to interact with CFE on its own terms.

However, despite the difficulties and mistakes made by all sides during the negotiations, the participatory process did mitigate the social impacts caused by involuntary displacement and resettlement. The growth of strong negotiating skills in the affected community and the willingness of CFE to negotiate successfully lessened tensions and avoided major conflict. The situation never eroded into violent confrontation, which previous hydroelectric projects in Mexico had recently experienced.

The World Bank was able to foster the participatory process throughout the planning and implementation period by (a) prompting institutional changes in the CFE based on legal agreements for financing and on the Bank's resettlement policy, (b) promoting participatory events and contracting social specialists, (c) supporting and encouraging the community to participate in meetings with them during missions, and (d) intensively supervising the resettlement process and providing suggestions and solutions.

The following four main lessons stem from the participation of the affected people and suggest how their participation could have been strengthened:

- (a) A social analysis, undertaken during the preparation phase of project planning, could have assisted in designing participatory and consultative mechanisms more suited to the social organization of the affected communities.
- (b) A social analysis could have revealed the factional nature of the community. It could also have enabled the borrower and the Bank to better predict the fissioning of the community and to better plan for its management and control.
- (c) A number of different participation strategies, undertaken by the government to clarify the "rules of the game," could have helped address the different needs and views of the different subgroups in the community (such as those of farmers versus those of wage laborers).
- (d) The different responses in the two different states—Hidalgo and Queretaro—stemmed from the different dynamics of the two populations. In Hidalgo, the stability of the larger unaffected community helped provide an anchor during rough times. The Otomi social structure is close knit, relatively independent of outside society, and governed by traditions of consensus. There was no torrent of money to disrupt the families. These factors helped smooth a potentially difficult process of negotiation. In Queretaro, all the families of Vista Hermosa were affected, so there were few places to turn for support during times of stress. Many ejido members were cosmopolitan; they had spent years as wage laborers in the United States, and they aspired to urban lifestyles rather than maintaining the traditional peasant values and customs. The influx of comparatively vast sums of money exacerbated the internal division. Normally tedious leadership roles in the ejido hierarchy were converted into positions of great potential wealth and power. The ambitious new leaders learned quickly how to exploit the situation, increasing their claims and demands. The CFE inadvertently fed these ambitions by agreeing to more and more investments and cash outlays, thus fanning the flames of leadership.

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