

NGO World Bank Collaboration¹

The World Bank has been working with NGOs in development for many years. The last few years, however, have witnessed a remarkable increase in interaction and collaboration between the Bank and the NGO community worldwide. Through enhanced policy dialogue and operational collaboration, this relationship has evolved into a complex and important one for both parties. Recognizing the strengths of the NGO sector and the potential for complementarity, the Bank is rapidly enhancing its capacity to work with NGOs. Though the Bank and NGOs do not always agree on specific policy issues or methods to achieve specific goals, with cooperation both parties can better achieve their antipoverty objectives. The World Bank welcomes the opportunity to work with NGOs and to share and learn from each other's experiences in improving the living conditions and in protecting the environment.

Key Concepts

- Since the 1970s, operational collaboration with NGOs has become an increasingly important feature of Bank-financed activities. Growing collaboration with NGOs can be attributed to the expanding role and influence of the NGO sector generally, as well as increasing recognition within the World Bank as to the specific benefits which NGO involvement can bring to Bank-financed operations. Between 1973 and 1988, only six percent of Bank-financed projects involved NGOs. In 1993 over one third of all approved projects included some form of NGO involvement, and in 1994 this percentage increased to one half. These figures show the frequency of Bank-NGO collaboration, but give little indication of the quality or depth of that interaction. In many cases, the roles played by NGOs are quite minor and frequently limited to project implementation. Achieving the full potential benefits of NGO collaboration implies **enhanced** roles for NGOs **earlier** on in the project cycle.

Official advice or guidelines for operational staff who work or seek to work with NGOs is presently limited. World Bank policies and procedures have been developed to allow the Bank to work effectively with its principal partners - borrowing governments and for-profit private sector firms. As NGOs are in many ways distinct from both government and the private sector, standard Bank operational guidelines are not always well-suited to effective NGO collaboration. As a result, while operational collaboration with NGOs brings many benefits to Bank work, it also raises a number of issues and challenges for operational staff.

Definition

- The World Bank defines NGOs as "private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development" (Operational Directive 14.70). In wider usage, the term NGO can be applied to any non-profit organization which is independent from government. NGOs are typically value-based organizations which depend, in whole or in part, on charitable donations and voluntary service. Although the NGO sector has become increasingly professionalized over the last two decades, principles of altruism and voluntarism remain key defining characteristics.

Categories of NGOs

The term NGO is very broad and encompasses many different types of organizations. In the field of development, NGOs range from large, Northern-based charities such as CARE, Oxfam and World Vision to community-based self-help groups in the South. They also include research institutes, churches, professional associations and lobby groups. The World Bank tends to interact

¹ Source: World Bank website

(<http://wbln0018.worldbank.org/essd/essd.nsf/d3f59aa3a570f67a852567cf00695688/ce6b105aaa19360f85256966006c74e3?OpenDocument>)

with two main categories of NGOs: **i) operational** NGOs - whose primary purpose is the design and implementation of development-related projects, and; **ii) advocacy** NGOs - whose primary purpose is to defend or promote a specific cause and who seek to influence the policies and practices of the Bank. The focus of this paper is operational collaboration, as opposed to policy dialogue with NGOs. As a result, the emphasis here will be on the first of these groups. It should be noted, however, that these two categories are not mutually exclusive. A growing number of NGOs engage in both operational and advocacy activities, and some advocacy groups, while not directly involved in designing and implementing projects, focus on specific project-related concerns.

Operational NGOs

- The World Bank classifies operational NGOs into three main groups: **i) community-based** organizations (CBOs) - which serve a specific population in a narrow geographic area; **ii) national** organizations - which operate in individual developing countries, and; **iii) international** organizations - which are typically headquartered in developed countries and carry out operations in more than one developing country. Throughout the 1970s and 1980s, most examples of World Bank-NGO collaboration involved international NGOs. In recent years, however, this trend has been reversed. Among projects involving NGO collaboration recorded in FY94, 40% involved CBOs, 70% involved national organizations and 10% involved international organizations.

CBOs (also referred to as grassroots organizations or peoples' organizations) are distinct in nature and purpose from other NGOs. While national and international organizations are "intermediary" NGOs which are formed to serve others; CBOs are normally "membership" organizations made up of a group of individuals who have joined together to further their own interests (e.g.: women's groups, credit circles, youth clubs, cooperatives and farmer associations). In the context of Bank-financed activities, national or international NGOs are normally contracted to deliver services, design projects or conduct research. CBOs are more likely to be the recipients of project goods and services. In projects which promote participatory development, grassroots organizations play the key function of providing an institutional framework for beneficiary participation. CBOs might, for example: be consulted during design to ensure that project goals reflect beneficiary interests; undertake the implementation of community-level project components; or receive funds to design and implement sub-projects. Many national and international NGOs work in partnership with CBOs - either channeling development resources to them or providing them with services or technical assistance. Such NGOs can play a particularly important role as "intermediaries" between CBOs and institutions such as the World Bank or government.

NGO Typologies

- Individual operational NGOs vary enormously according to their purpose, philosophy, sectoral expertise and scope of activities. A number of different NGO typologies exist. For example, NGOs have been classified according to whether they are more relief or development-oriented; whether they are religious or secular; whether they stress service delivery or participation and whether they are more public or private-oriented. Sources for further reading on NGO typologies are listed at the end of this section.

NGO Strengths and Weaknesses - Because the nature and quality of individual NGOs varies greatly, it is extremely difficult to make generalizations about the sector as a whole. Despite this diversity, some specific strengths generally associated with the NGO sector include the following:

- -strong grassroots links;
- - field-based development expertise;
- - the ability to innovate and adapt;
- - process-oriented approach to development;

- - participatory methodologies and tools;
- - long-term commitment and emphasis on sustainability;
- - cost-effectiveness.

The most commonly identified weaknesses of the sector include:

- - limited financial and management expertise;
- - limited institutional capacity;
- - low levels of self-sustainability;
- - isolation/lack of inter-organizational communication and/or coordination;
- - small scale interventions;
- - lack of understanding of the broader social or economic context.

Size and Influence of the NGO Sector

- Over the past several decades, NGOs have become major players in the field of international development. Since the mid-1970s, the NGO sector in both developed and developing countries has experienced exponential growth. From 1970 to 1985 total development aid disbursed by international NGOs increased ten-fold. In 1992 international NGOs channeled over \$7.6 billion of aid to developing countries. It is now estimated that over 15 percent of total overseas development aid is channeled through NGOs. While statistics about global numbers of NGOs are notoriously incomplete, it is currently estimated that there is somewhere between 6,000 and 30,000 national NGOs in developing countries. CBOs across the developing world number in the hundreds of thousands.