

The logo consists of a solid black square with the letters 'ADB' in a white, serif font centered within it.

ADB

STRENGTHENING PARTICIPATION FOR DEVELOPMENT RESULTS

A Staff Guide to Consultation and Participation

April 2006

Asian Development Bank

Background

This Guide has been developed in response to requests from ADB Management and Board Members to provide updated guidance on what constitutes “adequate consultation,” and how staff should use consultative and participatory techniques in ADB-assisted activities. It also responds to the recommendation of ADB’s Operations Evaluation Department to develop operational guidelines for participatory development.

Credits

This Guide was drafted by Rolf Sartorius, President, Social Impact, under the direction of an interdepartmental working group led by Bart W. Édés, and including Sri Wening Handayani, Ruwani Jayewardene, Michael Lindfield, Manoshi Mitra, Stephen Pollard, Christopher Spohr, Dewi Utami, Paul Vallely, and Kenichi Yokoyama. In addition, Anne Sweetser provided valuable advice and information. The Guide further benefited from comments contributed by more than 100 ADB staff at headquarters and in resident missions through interviews, informal feedback, group consultations, and interdepartmental review of drafts.

Foreword

The Asian Development Bank (ADB) is giving greater attention than ever before to achieving measurable results. A consensus has grown around the need for ADB to adapt its operational processes and products to better respond to borrower needs, and to strengthen the implementation of the projects that it finances.

This also means that ADB has to more actively engage the intended beneficiaries of its services from the earliest stages of strategy and project formulation. ADB has over time become a much more open institution that regularly involves a range of stakeholders in decision making. Indeed, ADB-financed projects are often helpful in establishing participatory processes in the countries and sectors in which they are situated. Nevertheless, ADB's performance in the area of participation can be further improved.

Well-applied participation has been shown to have a positive impact on poverty reduction. It does this by bringing disadvantaged groups into decision-making, and by promoting their involvement in project formulation. Participation can assist them in developing the attitudes needed to improve their situation and give them hope.

Staff who have not had much experience with participation may be unsure of its worth and wary of its risks. Yet experience shows that using participatory methods makes good sense. It can increase the level of support for a project from a range of stakeholders, which can speed up processing and reduce challenges during implementation. An early investment of time, energy, and resources can provide important payoffs in terms of fewer implementation problems, greater ownership by communities and governments, and better overall results.

This Guide explains what is meant by "adequate consultation," a reasonable standard determined by identifying the groups that have a stake in a particular ADB-assisted activity, and then engaging them through a consultation and participation plan. The Guide is intended to help staff apply participatory methods through straightforward explanations, simple checklists, and practical guidance. References are provided for those who wish to learn more about the many tools available and lessons learned in the field.

The Guide complements other initiatives aimed at improving ADB's engagement of stakeholders and overall performance, including the Design and Monitoring Framework, Innovation and Efficiency Initiative, Managing for Development Results Action Plan, and Public Communications Policy. It is a welcome addition to an increasingly well-stocked toolbox that is helping ADB staff improve the quality of services to our Developing Member Countries.

A handwritten signature in black ink, consisting of a large, stylized 'G' followed by a cursive 'L' and a horizontal line underneath.

Geert van der Linden

Vice President for Knowledge Management and Sustainable Development

April 2006

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Introduction

A comment on reference notes: To avoid interrupting the flow of this Guide, endnotes, rather than footnotes, are used for the numerous references incorporated into the document. These may be found beginning on page 55.

Purpose of this Guide

1. This Guide provides a succinct overview of consultation and participation (C&P) in the operations of the Asian Development Bank (ADB). Because it is an overview, staff are encouraged to also consult the more detailed resources made available in the C&P Toolkit,¹ and to confer with colleagues in operations departments and in the Regional and Sustainable Development Department (RSDD) who have experience in applying participatory practices.
2. The aim of this Guide is to provide practical tools and tips to make C&P more accessible and effective in improving the performance of ADB operations. The Guide also helps staff to fulfill ADB obligations and strategic objectives to consult or otherwise promote participation.² It supersedes *Mainstreaming Participatory Development Processes* (ADB, 1995).

Who is the Audience?

3. The Guide and Toolkit are intended for ADB mission teams and resident mission staff who engage stakeholders in the course of ADB operations. Their contents are also relevant for ADB consultants, as well as for executing agencies and implementing agencies in countries benefiting from ADB assistance. More generally, the Guide, and references included in it, can also be used to build up the capacity of ADB's developing member countries (DMCs) to improve their use of C&P, and not only in ADB-assisted activities.

Why Apply C&P?

4. C&P increases the level of support for an ADB-assisted activity from a range of stakeholders, which can speed up

processing and reduce challenges during implementation. More generally, C&P improves the effectiveness, relevance, and sustainability of development activities.³ It contributes to good governance, economic growth, and the empowerment and social inclusion of disadvantaged groups. ADB is increasingly judged by its ability to deliver on project quality and development results.⁴ C&P represents a critical set of quality criteria that ADB can control. C&P also supports donor coordination and harmonization, and ADB increasingly carries out stakeholder consultations in collaboration with other development agencies.

5. C&P is supported by virtually all of ADB's sector and thematic policies, its business processes, and staff instructions. ADB's Poverty Reduction Strategy states that "the reach and sustainability of social development is improved when all people, especially the poor and excluded, have an opportunity to participate in shaping public policies and programs." The PRS further notes that "ensuring that the voice of the poor is heard at all levels of decision making is central to the success of social development efforts."⁵

6. Several studies carried out by ADB's Operations Evaluation Department (OED) provide insight into the application of C&P in ADB-assisted activities (see page 57).

What is C&P?

7. C&P is a process through which stakeholders influence and share control over development initiatives, and the decisions and resources that affect them. ADB works on four different levels of C&P to engage groups that have an interest or stake in its operations:

- *Information sharing* is one-way communication often involving disseminating information about an intended ADB project, program, or strategy.
- *Consultation* means gaining stakeholder input on proposed or ongoing ADB activities.
- *Collaborative decision making* means that ADB engages groups to jointly make decisions about development activities and resources that affect them.

- *Empowerment*, a deeper level of participation, is where beneficiaries and other key groups initiate action and take control over development decisions and resources.

8. For example, a project that involves the creation of water user groups with tariff-setting or water-distribution responsibilities is designed to provide “empowerment” but also incorporates lower levels of participation. On the other hand, a cement plant financed by the Private Sector Operations Department may only feature “information sharing” and “consultation,” such as the minimum required by national law and ADB’s safeguard policies.⁶

9. In this Guide, the term “C&P” is used synonymously with “participation.” Unless specified, it can refer to any or all of the four levels described above.

Where Does C&P Add Value?

10. Most projects stand to benefit from C&P. Projects aimed at poverty reduction through livelihoods development and improvements in educational and health outcomes—as well as projects targeting ethnic minorities, agriculture and rural development, local governance, and involuntary resettlement—are particularly well-suited for C&P. ADB’s experience with projects in the infrastructure sector shows that actively involving communities avoids problems and brings to light improvements to design and implementation.

What is Adequate C&P?

11. Adequate C&P is based on an understanding of who are the groups with a stake in ADB-assisted activities (Tool 1) and systematic engagement of those groups through a C&P plan (Tool 2). Thus, adequate C&P requires conducting stakeholder analysis and developing a C&P plan following the checklist criteria suggested below. It is a good idea to record any C&P undertaken for future reference. In line with ADB’s increasing emphasis on achieving measurable results, it is useful to specify the desired outputs of the C&P process used and target indicators.

Adequate C&P is based on an understanding of who are the groups with a stake in ADB-assisted activities and systematic engagement of those groups through a C&P plan

12. Projects with high social risks (e.g., involving restructuring of a state-owned enterprise), and those with central objectives to promote participation and empowerment, warrant deeper levels of C&P. Specific examples of projects where C&P may be particularly appropriate include those that aim to reduce at poverty through livelihoods development, improve educational and health outcomes, target ethnic minorities, take place in the agriculture and rural development sectors, and involve resettlement or other significant social impacts.

13. Keep in mind that the C&P plan is supposed to be a helpful planning and processing tool. It is very flexible and does not have the formal status of a resettlement plan or environmental assessment. This Guide can be used during interdepartmental review to determine whether the C&P plan is appropriate and whether adequate C&P has been carried out. Inclusion of the C&P plan in the project administration memorandum (PAM) and the Report and Recommendation of the President (RRP) provides a means to monitor and assess results.

What are the Risks of C&P?

14. If not done well, C&P can falsely raise expectations. Stakeholders can suffer from participation fatigue if they see no reflection of their concerns in ADB's or the government's actions.

15. Participation may threaten rigid governments, or exacerbate existing social conflicts or cleavages. Participation also means sharing in the design and implementation of a project, something that ADB and the government or private sector sponsor that owns the project, may be reluctant to do. Further, ADB may be concerned that operational interests are threatened by stakeholder demands. Where involuntary resettlement is involved, C&P may contribute to land purchases that drive up real estate prices, making it difficult for project-affected persons to buy replacement land.

16. In general, these risks can be managed through flexible and creative approaches tailored to the country context.

Who Should Participate?

One of the reasons some are skeptical of participatory development is that this type of development has come to be thought of as a fully democratic process. Thus, all stakeholders (e.g., farmers) should influence and to some degree control development and management. However, participatory development does not imply full and direct democracy. At one extreme, participatory development would not mean, for example, consulting all 200,000 farmers in the area around the ADB-financed Song Chu Irrigation System (south of Hanoi, Viet Nam) about design. This clearly would not be useful, possible, or affordable. At the other extreme, a process that only involved village leaders would not necessarily protect the rights of the poor or disadvantaged.

Between the two extremes lie a range of options that offer the potential for appropriate levels of participation for different purposes. For example, elected water users organization boards should be able to reflect the views of their irrigator members. For any scheme, the boards could be assisted to develop a hierarchical structure on a reasonably democratic basis to provide manageable representative institutions up to the whole system level. Each sector and project needs to define the optimal participatory structures that will allow adequate stakeholder representation (including the poor and disadvantaged), without becoming too unwieldy or expensive.

Poverty reduction is a primary objective of most ADB-financed projects in the natural resources management sector. However, poverty reduction needs to be tempered with pragmatism and reflect individual differences and capacities. Viable and sustainable development needs to be the primary objective of natural resources management projects. Inclusion of the poor (and other disadvantaged groups) is to be encouraged but not to the degree that it jeopardizes viability.

While positive discrimination is necessary to prevent widening inequality, ways need to be found to ensure that participation in project activities by the disadvantaged is effective. Each project needs to be assessed on this basis, to define the extent to which poverty reduction and viability and/or sustainability objectives mesh with and define the conditions and support the mechanisms needed to promote participation by the poor.

Source: OED. *Participatory Approaches in Forest and Water Resource Operations in Selected Developing Member Countries* (2003).

“The principle of participation derives from an acceptance that people are at the heart of development. They are not only the ultimate beneficiaries of development, but are also the agents of development”

—Governance Policy
of the Asian
Development Bank

How Much Does it Cost?

17. Adequate C&P also requires incremental time and financial resources to carry out the C&P plan. The exact amount varies substantially by the type of project. Mission teams often point to tight processing deadlines and shrinking technical assistance (TA) funds as serious constraints to actively involving stakeholders in lending operations. While this Guide does not address financial and staffing constraints, it does answer basic questions about C&P and identifies steps that one can take to make good use of limited resources. The numerous examples of good C&P practice in ADB-assisted activities show that while it may not always be easy to apply C&P, there are proven ways to approach the challenge.

18. Keep in mind that projects with relatively modest C&P plans will not require much additional time or cost. On the other hand, high-profile infrastructure projects and the review of certain ADB sectoral or thematic policies or strategies may demand a substantial budget for C&P and related communications. Systematic evaluations of the costs and benefits of participation indicate that the costs, in terms of time and money spent, tend to be relatively higher for participatory projects in their early phases, but that they payoff in terms of greater effectiveness and sustainability in later phases.⁷

19. No simple, general formula can determine the cost of applying C&P. In the case of projects, except for those that seek to institutionalize participation, the leading costs of applying C&P are likely to include the share of the project preparation and technical assistance (PPTA) budget needed to develop and begin implementation of a C&P plan (e.g., stakeholder workshops), and the portion of review missions and other follow-up activities that are dedicated to monitoring the plan.

How Does the C&P Guide Relate to Other ADB Strategies and Handbooks?

20. The C&P Guide is designed to reinforce and elaborate on C&P guidance in ADB’s operational policies, sector strategies and other documents, including the *Handbook on Poverty and Social Analysis* and the *Guidelines for Preparing a Design and Monitoring Framework* (DMF Guidelines).⁸

C&P in ADB's Country Strategy and Program

21. Success in generating effective participation and ownership in the country strategy and program (CSP) is essential to achieving successful outcomes. ADB's Business Processes require confirmation of the CSP initial consultation with various stakeholders (civil society, private sector, etc.), and consultations with them during the CSP mission. ADB's growing experience with the results-based CSP provides an opportunity to use C&P to improve programming quality and performance.

22. Some benefits of including consultation and other forms of participation in preparing CSPs include:

- Improving ADB's understanding of the country's development needs by tapping local knowledge
- Increased transparency and promotion of good governance
- Enhanced stakeholder ownership and support of country programs
- Identification of projects responding to demonstrable local needs
- New partnerships established/reinforced to further national development priorities.

23. C&P in CSP formulation can build on existing participatory processes with the government, nongovernment organizations (NGOs), private sector and other development partners. C&P in ADB country programming can i) assist with design and build shared ownership, ii) identify major strategic and programmatic issues, and iii) promote public disclosure and dissemination of the CSP.

24. Participation in the CSP can take many shapes and take place at different levels. It is common for country programming teams to organize a series of consultation meetings/workshops with key stakeholders in the central government, leading development partners, national NGOs, academe, and

the private sector, and—depending on the time available—consultations outside the capital city with representatives from the poor, community-based organizations, and local government.

25. ADB's Business Processes also recognize stakeholder consultations as a key action during the country programming mission carried out for CSP updates. Consultations during the development of this document can help validate the continued relevance of ADB's program of support to the country, and identify areas where the program requires modification.

Managing C&P in CSPs

26. Begin with Tool 1: Develop a Stakeholder Analysis to identify key stakeholders to involve in the CSP process. Identifying those who have participated in some way in ADB-assisted activities will provide an initial idea of those with a stake in country programming. It is also useful to step back and think about groups with which ADB may have had less interaction in the past, but who nonetheless are affected by—or have particular knowledge about—activities in sectors and thematic areas where ADB has strong capacity in the country concerned.

27. Then use Tools 2–7, and especially Tool 8: Tips for Effective Consultations in CSPs, to plan and conduct a C&P process that contributes to shared ownership over strategic issues in designing and implementing the CSP.

The Role of Resident Missions

As the primary operational interface between ADB and the host developing country, ADB's Resident Missions can play a crucial role in supporting C&P. ADB's Resident Mission Policy (2000) identifies the following partnership objectives for these offices: (a) create strong partnerships with DMC development stakeholders including government, the private sector, and civil society; (b) enhance ADB's responsiveness to local needs and issues; (c) take leadership in aid coordination where possible, and build strong relationships with other funding sources; and (d) promote subregional cooperation. Resident Mission staff responsible for NGO/civil society relations and social development issues are often particularly well-placed to advise on issues such as stakeholder analysis.

C&P in ADB's Project Cycle

28. Integrating stronger C&P in ADB's project cycle leads to improved quality and performance at incremental cost. C&P in ADB operations can begin during project identification and extend through implementation and ex-post evaluation. In the case of projects supported by the Private Sector Operations Department, it may not be possible to carry out C&P at the early project identification stage due to business confidentiality considerations. The type of C&P that is appropriate will vary by type of project and can be categorized during preparation of the IPSA (see below).

29. Given the government's role as the owner of most ADB-financed projects, it is important that the government be involved in the application of C&P throughout the project cycle.

Stage 1: Concept Paper

30. C&P methods may be applied during project identification and PPTA-fact finding (PPTA-ff), and in drafting the Initial Poverty and Social Assessment (IPSA). The IPSA provides one of the first entry points for C&P.

31. At this stage, an initial stakeholder analysis (Tool 1) is typically developed to identify a) which groups have an interest in the project, and b) their interests and capacities to support or hinder implementation. The analysis can also bring to light potential conflicting interests *between* different stakeholders.

32. Stakeholder analysis is fundamental to the design of any ADB project, program, or strategy, and additional guidance is provided in the *DMF Guidelines*.

33. When ready, the results of stakeholder analysis and a summary of the proposed C&P plan⁹ (see Tool 2 below) can be included in Section C (Participation Process) of the IPSA, which is submitted with the TA paper. The C&P plan defines which specific stakeholders the Mission Leader has determined should



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be engaged—and how deeply—at each stage of the project cycle, taking into account time and resource constraints.

34. A great variety of C&P Tools and Methods (Tool 3) can be used during project preparation, each with unique advantages and costs. The approximate staff time and financial costs for supporting the C&P plan are typically built into overall mission costs.

35. Depending on the C&P strategy and tools involved, and the nature of the project, stakeholders may have a high degree of influence in the design process or a relatively minor one.

Stage 2: Project Preparation Technical Assistance (PPTA)

36. If the initial stakeholder analysis and C&P plan cannot be prepared as part of PPTA, they can instead be included in the consultant's terms of reference (TOR) and provided in their inception report, assuming that the consultant has sufficient knowledge this early in the process. Stakeholder views and inputs at this stage can help ensure that the project design responds to local demand. It can be useful to record a Summary of Stakeholder Consultations (Tool 4) for the project file to demonstrate implementation of the design stage C&P plan.

37. ADB is gaining experience in the organization of design and monitoring framework (DMF) workshops with stakeholders to reach consensus on project design. The use of

ADB's Public Communications Policy Reinforces C&P in Projects

ADB's Public Communication Policy (PCP) calls for facilitating dialogue with affected people and organizations and sharing information about a public or private sector project or program with affected groups. The PCP indicates that this should start early in project preparation. For projects likely to generate a high level of public interest, the PCP recommends jointly developing a communications plan with the DMC governments.

problem and objectives trees analysis during strategic planning workshops has also proven useful. Where appropriate, these approaches can be used more widely to improve project quality and local ownership. ADB's Central Operations Services Office (COSO) offers training on how to apply the DMF to both ADB staff and government officials. COSO also trains facilitators in developing countries with the aim of creating a pool of local resource persons who can be drawn upon when conducting various forms of consultation using the tools described in the DMF, including stakeholder analysis.

Stage 3: Loan Processing

38. Consultations with stakeholders can be included as an appendix in the draft RRP.¹⁰ Section C of the Summary Poverty Reduction Social Strategy (SPRSS), which is a common appendix to the RRP, can be used to describe what stakeholder analysis has been carried out, and to report on implementation of the C&P plan. On this basis, the Management Review Meeting can make a final determination as to whether C&P has been adequate and whether sufficient measures are planned for implementation.

Stage 4: Implementation

39. Implementation provides the opportunity to enhance project performance and local ownership through C&P-based approaches. Some projects, such as community-driven development activities, will seek to institutionalize participation and empowerment as central objectives, whereas this is less likely for government-implemented infrastructure projects. The C&P plan for project implementation will reflect these differences, as well as the differing criteria for judging C&P adequacy during monitoring and review missions.

40. Given the central role of the executing agency in project implementation, its quarterly reports could report on C&P progress against C&P plans. In addition, since the PAM sets out the project or program's implementation agreements and details, it is a logical place to record any agreements and details concerning C&P activities that involve the borrower, executing

ADB's growing experience with the results-based CSP provides an opportunity to use C&P to improve programming quality and performance

Senior Staff Questions

During the development of a project, division directors and other senior staff may want to ask the following questions to promote quality at entry:

- What is your C&P plan for project design and how has it been implemented to date?
- What did you learn through C&P and how did this help shape/improve the design?
- Are there potential risks to the project identified through the C&P process thus far, and have measures to mitigate these risks been developed?
- What is the C&P plan for implementation?

agency, or implementing agency. If staff and budgetary resources permit, ADB project teams can use participatory midterm review workshops to increase local involvement and ownership, and to generate commitments to improve project performance. Community involvement in projects also tends to increase sustainability by giving beneficiaries a stake in nurturing continuation of the project after the formal completion date.

41. One way that C&P can be strengthened during project implementation is through the engagement of an NGO, research institution, or university to carry out independent monitoring.

Stage 5: Evaluation

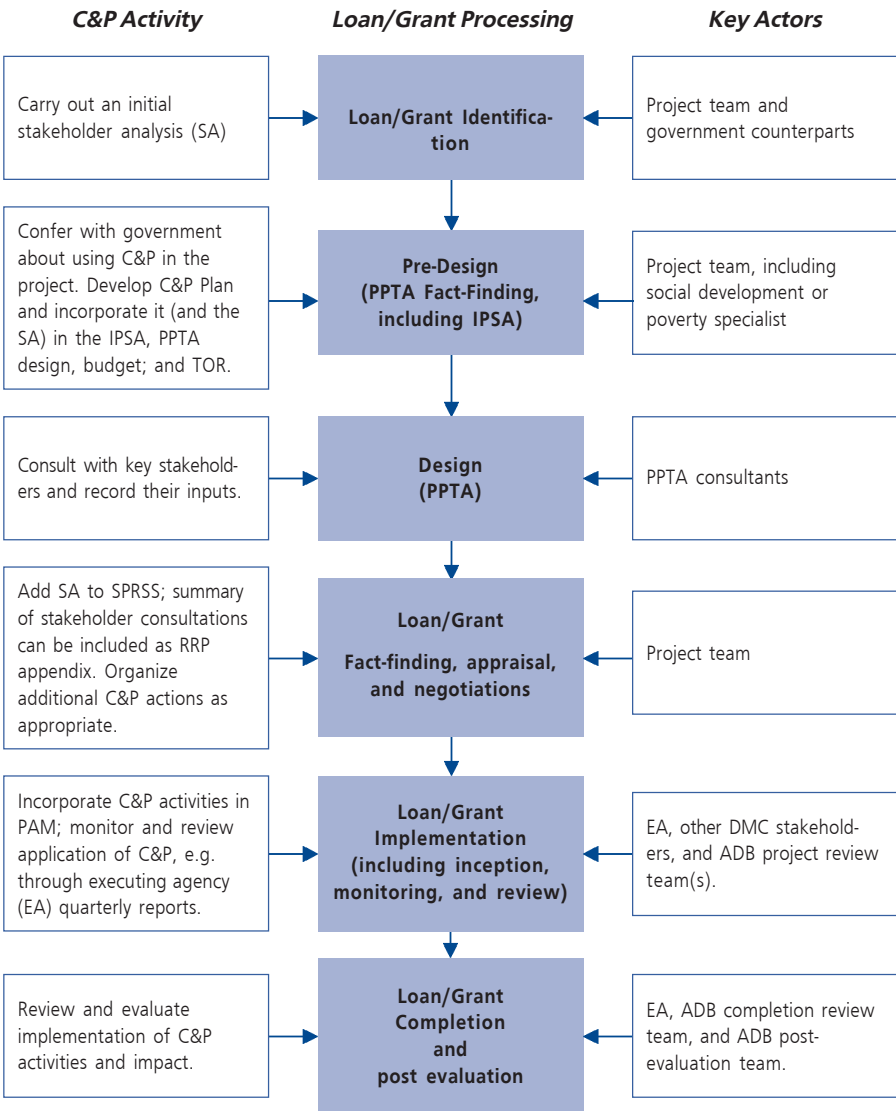
42. Findings on C&P results can be included in project completion reports, not just for safeguards, but for overall project implementation. Results can be assessed against the C&P plan to generate lessons for further activities in the same sector. Common objectives and expected benefits of C&P include improving the efficiency, effectiveness, sustainability, and coverage of the project; and promoting stakeholder capacity, self-reliance, and empowerment.¹¹ Performance targets and indicators for these C&P-related aims can be included in the DMF.

43. OED selectively evaluates projects—including C&P aspects—and prepares project performance and audit reports. The RSDD reviews these reports and highlights lessons learned and good practices to improve the quality of future ADB projects.

44. In preparing evaluations, OED often interviews and collects data from residents of project areas, community-based organizations, local governments, and NGOs.¹²

One way that C&P can be strengthened during project implementation is through the engagement of an NGO, research institution, or university to carry out independent monitoring

C&P Entry Points in Project Cycle



A Sampling of C&P in ADB–Financed Projects

Bangladesh: Small-Scale Water Resources Development Sector Project

The project and its follow-up phase established specific target indicators as conditions that should be achieved before starting physical works. These included: i) the formation of water management associations, with more than 70% of local beneficiaries enrolled and registered; ii) up-front cash contributions equivalent to annual operating and maintenance costs; iii) preparation of safeguards plans and endorsement among affected people; and iv) signing of an implementation agreement among the water management authority, the executing agency (EA), and the local government. The agreement helped encourage the EA to provide sufficient inputs to the C&P process. The follow-up phase gave priority in work opportunities to poor fisherfolk and destitute women, and addressed gender concerns in all training activities (which should include at least 30% female participants). See project-related information at: www.adb.org/Documents/RRPs/BAN/rrp_30209_ban.pdf, and www.adb.org/gender/practices/irrigation/ban003.asp.

Indonesia: Earthquake and Tsunami Emergency Support Project (ETESP)

A national NGO, Bina Swadaya, was contracted to provide community facilitation services to ESTESP's subcomponents (agriculture, fisheries, and irrigation). Bina Swadaya is utilizing a community empowerment approach to help farmers, fishermen, and water-user association groups to improve their organizational skills and management capacities. The NGO works closely with community groups in 14 districts by mobilizing experts of participatory development and community mobilization, training, microfinance, and livelihoods development. See the RRP at: www.adb.org/Documents/RRPs/INO/rrp-ino-39127.pdf.

India: Integrating Poverty Reduction in Programs and Projects Project

This TA is providing services, assets, and opportunities to marginalized beneficiary groups and strengthening their mobilization and participation in social and economic development processes. It is also building and strengthening ADB's partnership with civil society by supporting NGO capacity to plan and implement poverty and gender-focused grant proposals, promoting consultations and interactions with NGOs outside ADB's regular lending operations, and facilitating awareness and ownership of development initiatives by civil society. One of more than 20 small-scale projects funded under this TA is strengthening the skills of 120 handloom weavers in Madhya Pradesh to add value to Maheshwari fabric and enlarge the market for this handloom textile. See the TA report at: www.adb.org/Documents/TARs/IND/r126_02.pdf.

Lao People's Democratic Republic: Nam Theun 2 Hydroelectric project

Recognized for its high social and environmental risks, the Nam Theun 2 project developed a detailed and extensive stakeholder analysis and C&P Plan. A PPTA provided four person-months of support to help prepare and implement extensive local consultations with affected communities. Households and villagers in the Nam Theun Watershed, Nakai Plateau, and downstream communities were extensively consulted to mitigate social and environmental risks. Experts from the Greater Mekong Subregion created a set of documents and visual aids providing information about the project and its expected impacts. In light of the high-profile nature of the project, a series of international stakeholder workshops were organized with other project partners for hundreds of interested persons in Bangkok, Tokyo, Paris, Washington D.C., and Vientiane. International NGOs were involved in assessing potential environment and social impacts. See the project website at: <http://www.adb.org/Projects/Namtheun2/default.asp>.

Pakistan: Access to Justice Program

In December 2001, ADB approved the Access to Justice Program to assist the Government of Pakistan in improving citizen's access to justice to secure and sustain entitlements and reduce the poor's vulnerability, strengthen the legitimacy of state institutions, and create conditions conducive to pro-poor growth, especially by fostering investor confidence. Under the project, NGOs and/or civil society organizations (CSOs) engaged in legal empowerment activities will be able to access funding from the Legal Empowerment Fund (LEF) created by the program. The LEF is funding legal aid and public awareness campaigns on matters of the rule of law and civil society initiatives concerned with the protection of rights-based civil liberties. See the RRP at: www.adb.org/Documents/RRPS/PAK/rrp_32023.pdf; a description on the Government of Pakistan website at www.pakistan.gov.pk/divisions/ContentInfo.jsp?DivID=19&cPath=175_179&ContentID=482; and a commentary by Livingston Armytage on lessons learned at www2.warwick.ac.uk/fac/soc/law/elj/lgd/2003_2/armytage/.¹³

People's Republic of China (PRC): Dali-Lijiang Railway Project

The project involves construction of a railway in southwestern PRC, in an area including ethnic minorities. The project employed a proactive C&P strategy involving the All-China Women's Federation, the country's largest women's organization, the Provincial Minority Affairs Bureau, and local people. A TOR based on preliminary consultations during fact finding directed consultants and provided a budget of \$25,000 to support consultations. Consultations were held with more than 4,000 stakeholders in the project area, including local and provincial officials, farmers, village leaders, traders, service providers, and NGO representatives to discuss project alternatives, environmental concerns, land acquisition and resettlement issues, concerns of ethnic minorities, and economic

Bina Swadaya is utilizing a community empowerment approach to help farmers, fishermen, and water-user association groups to improve their organizational skills and management capacities

development potential in both the direct and indirect project areas. About 55 village surveys and 680 household surveys were carried out to gather public opinion about the proposed railway, environmental and social assessments, and the resettlement plan. The approach helped uncover and address important social and safeguard issues, and to build local ownership of the project. See the project website at: www.adb.org/Projects/Dali-Lijiang-Railway/default.asp.

PNG: Literacy for Everyone (LIFE) Project

Through a technical assistance provided by the Japan Special Fund, ADB used the new DMF to develop in a very participatory way this education project. The preparation process valued local knowledge (see below) and relied heavily on the involvement of representatives from villages, provincial and national authorities, NGOs, and church-based groups. Stakeholder representatives at the village, provincial, and national levels shaped the project design. NGOs and church-based organizations promoting literacy—shared knowledge and field experiences, identified challenges, and proposed solutions. Government representatives at all levels told of their frustrations and in discussion with others devised ways to close the gaps in capacity that have made previous interventions difficult. Women’s groups gave insights into gender issues, especially the resistance of men when their wives or daughters sought to attend literacy classes. Through facilitated workshops organized to develop the DMF, stakeholders reached consensus on desired project outcomes, indicators, responsibilities, risks, risk management plans, and indicative costs. See: “Sharing Insights,” *ADB Review*, June 2005, at: www.adb.org/Documents/Periodicals/ADB_Review/2005/vol37-3/sharing-insights.asp.

Tajikistan: Participatory Poverty Analysis for Power Sector

The Tajikistan Power Rehabilitation project is a useful example of incorporating participatory activities in infrastructure projects with a concern for the poor. ADB made a plan that drew local citizens and government into dialogue to determine local needs and priorities. Six group discussions were held at the village and household cluster levels, followed by three town hall meetings and focus groups where access to power by poor families was a major concern. Grassroots NGOs and international organizations brought forward these concerns in a national workshop with government and suggested which social and targeting issues could be addressed in the ADB project. As a result, the project reflects many of these priorities, including tariff subsidies for the poor with oversight from the social services administration. See: Cindy F. Malvicini and Anne T. Sweetser (2003). *Modes of Participation: Experiences from RETA 5894: Capacity Building and Participation Activities II*, 13–14. Manila: ADB. Available at: www.adb.org/Documents/Papers/Modes_of_Participation/default.asp.


Managing C&P in the Review of ADB Policies and Strategies

45. In recent years, ADB has made a greater effort to solicit the views of external experts and stakeholders in the review and revision of major policies and strategies, including Accountability, Anticorruption, Environment, Governance, Public Communications, and Water (in the case of this last policy, the review was of the policy's implementation).

46. Staff instructions¹⁴ state that the active guidance of key stakeholders, both internal and external, as appropriate, should be sought during the processing of a policy or strategy paper. The main objective of the review and consultation process is to obtain and consider the views of these stakeholders and ensure that they have reasonable opportunity to be involved in developing policy and strategy papers. In particular, the external consultation process should be designed to solicit input and advice from a range of stakeholders and experts, as appropriate, so that the paper will be based on the best international practices and adequate engagement of interested parties.

47. External consultation is important for some policy and strategy papers to take into account the concerns of relevant and key stakeholders, benefit from their knowledge and experience, and enhance the paper's ownership by them. External consultation and review involve selected stakeholders who will be affected by the paper and/or are related subject experts. The need for and the nature of the external review will depend on the nature and topic of the paper.

48. For safeguards papers, the staff instructions state that external consultation is essential. External consultation is encouraged for other papers, particularly in sector and thematic areas. On the other hand, a policy or strategy paper on finance and administration and pertaining to ADB's internal workings will not require external consultation. The proposal on the scope and nature of consultation will form part of the concept paper.



The external consultation process should be designed to solicit input and advice from a range of stakeholders and experts, as appropriate, so that the paper will be based on the best international practices and adequate engagement of interested parties

49. Applying C&P in the review of policies (and strategies) produces documents that are technically superior, more relevant to the DMC context, incorporate international good practice, improve understanding of ADB's objectives and operations, take into consideration a broad range of information and perspectives, and enjoy greater support by a wider range of stakeholders. These benefits can also accrue to ADB planning documents and exercises that are developed with C&P methods.

50. Tips for carrying out effective policy/strategy consultations mirror those for CSPs: plan early, develop a thorough stakeholder analysis, design a cost-effective C&P Plan based on that analysis, define a communications strategy, use skilled facilitators, and allow sufficient time for the review and opportunity to stakeholders to meet and discuss the draft document.

51. ADB's experience involves a number of innovative models, from participatory "write shops" to engage internal and external stakeholders in writing draft action plans,¹⁵ to a series of more traditional face-to-face and electronic consultations.

52. Following are steps commonly taken in the review of an ADB policy or strategy that, while for the most part not required, collectively constitute a serious consultative approach:

- Carry out a stakeholder analysis to ascertain what groups and individuals will be invited to contribute to the review process
- Confer with internal and external groups with special knowledge and/or particular interest in the policy/strategy to seek input on the consultation process and goals of the review
- Develop a website for the review process and widely publicize details on how the review will be conducted and how interested persons/organizations can share their views¹⁶

- Make at least two drafts of the proposed policy/strategy available for public comment during the course of the review, allowing sufficient time for stakeholders to comment
- Make known through various channels the beginning of comment periods; do not assume that external audiences will find the invitation to provide comment on ADB's website
- Organize several face-to-face consultations on the draft policy/strategy at the country or subregional level in geographically diverse countries
- Develop invitation lists in collaboration with the resident mission, government, and, in the case of CSOs, the NGO and Civil Society Center as well
- Make available drafts of the proposed new policy/strategy, preferably in the local language, to workshop participants well before the consultation
- Carry out website, electronic and mail consultations in parallel with consultation workshops¹⁷
- Post stakeholder comments received on the review website, together with an explanation of how comments have been taken into consideration in the next iteration of the proposed policy/strategy¹⁸
- Promptly report changes to the review process (e.g. new details on workshop arrangements, extensions of the process, etc.) on the review website

53. Resident mission staff responsible for communications and for NGO/CSO relations can assist in identifying stakeholders, as well as in promoting awareness at the country level of opportunities to contribute to reviewing of ADB policies and strategies.

Tools for Applying C&P

54. Many C&P tools and mechanisms are available to ADB, with many being regularly applied in development activities in the Asia and Pacific region. As mentioned earlier, tools should be selected on the activity's context, objectives, and breadth, and the depth of C&P required and time and resource constraints.

55. Following are nine tools for using C&P to strengthen ADB project and program quality.


Tool 1: Checklist for Conducting a Stakeholder Analysis

Stakeholder analysis is fundamental to C&P work at any level. It provides an understanding of the interests of individuals, groups, and institutions that have something to win or lose through an ADB activity. In the case of projects, stakeholder analysis helps identify which groups are supportive and which groups may oppose the project strategy and subsequently obstruct project implementation. This provides a sound basis for taking appropriate actions to gain the support of opponents and to get key supporters more involved. Stakeholder analysis plays an important role in identifying the development problem.

Use the analysis to first identify all the stakeholders and then to engage key ones to find out more about their interests and capabilities in order to strengthen project design and implementation.

Typical ADB stakeholders include target/beneficiary groups, community members, government officials at various levels, CSOs (including NGOs), universities, private sector groups, other donors, and ADB regional department staff at the headquarters and at resident missions.

Key stakeholders are typically clients/beneficiaries, groups that control important resources for implementation, and/or groups



Stakeholder analysis is fundamental to C&P work at any level. It provides an understanding of the interests of individuals, groups, and institutions that have something to win or lose through an ADB activity

that are negatively affected or may lose out if not included. It is important to also consider particularly disadvantaged groups that may not usually be consulted such as ethnic minorities, poorest groups, women, migrant workers, etc. Stakeholder analysis may also consider catalyst groups and service providers.

Stakeholder analysis ideally begins early in preparation for TA fact finding, and is typically supported by a social development/poverty specialist or economist. A first cut at the analysis involves listing stakeholders and their potential interests or concerns. The analysis can be firmed up during fact finding, preparation, and appraisal, using it to help shape design and to tap local capabilities to support implementation. Stakeholder analysis tends to work well if carried out with others who have an in-depth knowledge of the project and country context, such as ADB colleagues, representatives of donor agencies, community leaders, or government officials.

There are different levels of, and approaches to, stakeholder analysis. A basic approach is outlined in the DMF Guidelines:

At a facilitated workshop or brainstorming session with a first selection of stakeholders, follow these steps:

Step 1: Confirm the initial development problems, possible target area and/or sector, and the beneficiaries.

Step 2: Prepare a blank stakeholder table.

Step 3: List all the stakeholders on cards and sort them¹⁹ by categories of stakeholders, e.g., population groups, public sector organizations (including local government agencies), civil

Name of Group	Stakeholder's Interest	Perception of Problems	Resources	Mandate

Key Questions for Understanding Stakeholder Interests

- What are stakeholder expectations of the project?
- Have the interests of poor and marginalized groups been identified?
- What benefits are there likely to be for each stakeholder group?
- What are the capacities and resources of key stakeholder groups to support/hinder implementation?
- Does the stakeholder have other interests that may conflict with the project?
- Where and how do stakeholder interests align or diverge?

society, private sector, donor agencies. Place each group on a separate row (column 1).

Step 4: Discuss the interests of each group with reference to the development problem—how and why they are involved. Complete one card for each group reflecting their dominant interest (column 2).

Step 5: Clarify how each group perceives the development problem (column 3). Use one card per group and state the perceived problem as clearly as possible. The phrase should be a negative statement and not an implication of a solution, e.g., roads are poorly maintained (correct), no road maintenance system (incorrect).

Step 6: State the resources a group puts forth in support or in opposition²⁰ to the development problem. Resources are financial and nonfinancial. While formal organizations have both financial and nonfinancial resources, population and civil society groups have predominantly nonfinancial resources. These can include labor, political influence, volunteers, votes, strikes, and public pressure (column 4).

Step 7: List the mandates or formal authority that stakeholders have to carry out a particular function. Generally, population groups, such as low-income groups, farmers, and women, do not have mandates (column 5).

Checklist for Stakeholder Analysis

- Have all the relevant stakeholders been listed?
- Have marginalized and vulnerable groups (especially poorest groups, ethnic minorities, female-headed households, and migrant groups) been identified?
- Have the main client/beneficiary groups been identified?
- Have groups who will be negatively affected by the project been identified?
- Have all potential supporters and opponents of the project been identified?
- Should gender analysis be used to identify different kinds of male and female stakeholders?
- Should these stakeholders be divided into user, occupational, age, income or ethnic groups?
- Have resident missions (e.g., the NGO/CSO anchor) helped identify stakeholders?

To learn more about conducting stakeholder analysis, see *Stakeholder Methodologies in Natural Resource Management* (Natural Resources Institute, University of Greenwich, 1998),²¹ the stakeholder analysis page of the Overseas Development Institute website,²² and *AusGuideline 3.3 – the Logical Framework Approach* (Australian Agency for International Development, October 2005).²³

Example: An ADB team for an urban development project in the Philippines used stakeholder analysis to decide which groups would participate in project design. Likelihood of being affected, positively or negatively, by the project was the key criterion for selection.

Tool 2: Checklist for Developing a C&P plan

During and after PPTA-ff is a good time to develop a C&P plan to help guide preparation. Use the stakeholder analysis to determine which groups are most important to engage more fully in preparation work, what kinds of inputs/decisions are needed, and whether information sharing, consultation, collaborative decision making, or empowerment is the best modality given the country context, project objectives, and time and resource constraints.

Developing a C&P plan is recommended for most projects, programs, and strategies. A simple plan is adequate for less complex and less risky projects/stakeholder scenarios. A more elaborate plan can be expected for higher risk (Category A) projects and those that promote participation as central objectives.

If the project is a bond market project, consultation with key firms and ministry of finance may be enough. If the project is a participatory rural development activity, collaborative planning with an array of rural groups may be required. If the goal is to institutionalize participatory planning and management at the municipal level, then an empowerment-based approach requiring deep and extensive participation might be best. A large dam project with risks related to resettlement will require more and deeper levels of C&P, especially with affected groups. In the case of some sector or multi-tranche projects, stakeholders may change over the life of the loan and the C&P plan will have to be developed with this feature in mind.

There is no simple formula for how much C&P is required. This is determined through professional judgment about what is needed to ensure adequate and systematic engagement of key stakeholders, given context-specific opportunities and constraints.

That being said, a solid and defensible C&P plan explicitly addresses each of the following checklist criteria:

- Specifically, which stakeholder groups will be engaged in C&P processes based on the stakeholder analysis?
- What decisions need to be made through C&P, and how?
- What is the anticipated breath and depth of stakeholder engagement at each stage of the project cycle?
- How will C&P be linked to the SPRSS and safeguards requirements?
- How will C&P be used during implementation?
- What C&P methods will be used (Tool 3: Selecting C&P Tools and Methods)?

Stakeholder analysis ideally begins early in preparation for TA fact finding, and is typically supported by a social development/poverty specialist or economist. A first cut at the analysis involves listing stakeholders and their potential interests or concerns

- What is the timeline for C&P activities?
- How will C&P methods be sequenced?
- How have roles and responsibilities for conducting C&P activities been distributed among the resident missions, consultants, NGOs, and the executing agency?
- Are C&P facilitators/experts required?
- What will the C&P plan cost to implement and what budget will be used (usually project preparatory or other technical assistance, and possibly part of the loan)?

Examples of C&P in projects varying in scope, scale, type, and sector are included in Chapter IV and in the Staff Toolkit on Consultation and Participation.

Tip: Record the C&P plan for the project file. Develop a separate summary of stakeholder consultations (Tool 4) to report which stakeholders have been consulted, key themes/concerns that have emerged, and ADB responses to those concerns. The record provides a resource for later C&P work, and it should be defensible if problems arise.

What can you do if Government is Not Open to CSO Engagement?

In cases where CSO consultation is opposed or mistrusted, ADB has to be sensitive to its government interlocutors, but can still use its influence—especially when working alongside other donors—to encourage changes in the policy environment and highlight the benefits of broader participation.

In some situations, ADB can invite reluctant government officials to consultations and encourage their participation in discussions. ADB can also speak directly with selected CSO leaders on the basis that it leads to better, more informed judgments.

Staff should be mindful that in such situations, preparation may require more time.

Tool 3: Selecting C&P Tools and Methods

As mentioned earlier, tools should be selected on the basis of project's context, objectives, and breadth, as well as the depth of C&P required and time and resource constraints.

A first set of tools is for strengthening projects, programs, and policies.

A second set is for institutionalizing participation and increasing social accountability of power holders—such as governments, private sector actors and donors—to everyday citizens.

Tool 4: Summarizing Stakeholder Consultations

To ensure that stakeholder concerns are considered during project or CSP preparation and available for future reference, it is useful to briefly summarize consultations, e.g., in a matrix format. Such a matrix would typically include columns for the date of the consultation, location, organizer (e.g., government agency, consultant), type and number of participants, main issues, and, where provided, ADB's response. A sample table for recording stakeholder consultations appears on next page.*

In the case of the review of ADB policies and strategies, comments of external stakeholders are typically posted on a dedicated webpage. This was done, for example, during the review that led to the adoption of the PCP.²⁴

To ensure that stakeholder concerns are considered during project or CSP preparation and available for future reference, it is useful to briefly summarize consultations, e.g., in a matrix format

* For an example of a table used to record stakeholder consultations on an ADB-financed project, see Appendix 16 (pages 56-57) of the RRP for the Dali-Lijiang Railway Project (PRC), 11 November 2004, at <http://www.adb.org/Documents/RRPs/PRC/rrp-prc-36432.pdf>.

A Partial Menu of C&P Tools and Methods in ADB's Project Cycle

Stages where most useful: 1=Concept; 2=PPTA; 3=Loan Processing; 4=Implementation; 5=Evaluation

C&P Tools/Methods	Definition and Purpose	Stage
Key Informant Interviews	A series of one-on-one interviews used to collect information from a wide range of people who have in-depth knowledge of selected development issues.	1–5
Focus Groups	A group interview, usually conducted with a relatively homogenous group of 8–12 participants. Used to understand participant attitudes, feelings, beliefs, and perceptions about a development activity. May be used as prelude to quantitative study.	1–5
Participatory Learning and Action	A broad array of participatory methods—such as community meetings and mapping activities—to identify development priorities and to catalyze learning and action, especially for illiterate and semi-literate groups.	1–2, 4,5
Design and Monitoring Framework (DMF) Workshop	A facilitated stakeholder workshop used to reach consensus on priority problems, project design elements, and monitoring plan. 2	Visioning
Workshop A	facilitated stakeholder workshop used to create a common vision and commitment to address an organization, community, or development challenge.	1–2
Strategic Planning Workshop	A facilitated stakeholder workshop used to build group understanding of opportunities, challenges, and strategic options to focus and address development priorities.	1–2,4
Write shop	A facilitated stakeholder workshop to review, create, and shape new development policies, strategies, or procedures.	1–2
Participatory Monitoring and Evaluation	A range of participatory tools and methods used to boost learning of local groups and their ability to assess and improve ongoing development efforts.	4–5

C&P Tools/Methods	Definition and Purpose	Stage
Electronic Consultation	Consultation via websites, web-based discussion groups, and e-mail to gain inputs from wide range of electronically connected groups and networks on proposed or ongoing interventions.	1–5
Approaches for Institutionalizing C&P		
Community-driven Development	An approach that gives control over planning decisions and investment resources to community groups and local governments.	4
Participatory Public Budgeting/Budget Tracking	An approach that empowers citizens to influence and monitor public budget decisions based on local priorities.	4
Citizen Scorecards	An approach to hold governments and utilities more accountable for providing quality service delivery through citizen ratings of service quality.	4
Popular Participation Laws	Development and implementation of legislation to increase citizen participation in local government.	4

Date	Location	Organizer	Type and # of Participants	Main Issues Discussed	ADB's Response

Tool 5: **Tips for Effective Consultation**

The main objective of consultation with CSOs, governments, the private sector, and residents of affected communities is to improve the quality of ADB decisions by capturing the experience of these groups, and give voice to the poor or others who have specialized sector knowledge.

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Added objectives of consultations are to understand the different needs of different population groups, get executing agencies more involved to support effective implementation, set the stage for downstream C&P activities, and support governments in becoming more transparent and involving citizens in decisions that affect their lives.

- Preparations:
 - Plan carefully and make sure adequate time and resources are available to support the consultations (refer to Tool 2: Developing a C&P plan)
 - Be clear from the outset about what the C&P process is attempting to achieve in terms of specific outputs and their indications
 - Work closely with resident missions
 - Engage governments to the fullest extent possible, encouraging a spirit of collaboration and country ownership
 - Ensure diversity and representativeness among stakeholders (e.g., do not invite only those known to be favorable toward the project under consideration)

- Provide information and feedback:
 - Provide information to key groups on the process and timeline *before* consultations begin in the local language and style
 - Ensure ample time and resources for quality translation
 - Keep groups fully informed of the process
 - Maximize transparency, making as much information available as possible

- Conducting the Consultation:
 - To avoid unrealistic expectations, be clear from the start of the meeting what is, and what is not, under consideration; state clearly what ADB can do and what it can only influence
 - Make sure that the group rules are clear and acceptable and that views are seriously considered

- Use a skilled facilitator where necessary; in many cases, a local facilitator will be best but in others, a local-international facilitation team may be better
- Do not dominate the discussion; listen carefully and note experience and opinions
- Focus on future actions where possible
- Follow-up:
 - Send participants a summary of the meetings shortly afterward and invite corrections and changes
 - Give further feedback on which points have been accepted and which ones have not been and explain why
 - Follow up after the process concludes, especially if there appear to be opportunities for added collaboration

Tool 6: **Process Tips for the Field**

For participatory assessments—such as participatory poverty assessments, participatory development of the DMF, or participatory appraisals—mission leaders will largely contract out

How the Size of Meetings Impacts Participation

3–6 people:	Everyone speaks
7–10 people:	Almost everyone speaks. Quieter people speak less. One or two may not speak at all.
11–18 people:	5 or six people speak a lot, 3 or four join in occasionally.
19–30:	3–4 people dominate. Use breakout groups of 4–8 to discuss issues in more depth.
30+ people:	Little participation in a discussion is possible unless breakout groups are used.

Mixing men and women and people of different status or backgrounds may be useful in meetings designed to listen to and incorporate a variety of perspectives and experiences. However, this may not be possible or appropriate everywhere, and you should be sensitive to power relationships and cultural norms. In other meetings designed to seek in-depth perspectives from each group, it may be better to separate groups into homogeneous subgroups.

Source: Rogers, J. 1989. *Adults Learning*. Open University Press. Milton Keynes. UK.

the work to facilitators and experts. If one does become involved in some of this work directly, it is important to keep the balance between process and product. Here are several tips to help:

- Use the stakeholder analysis to help plan participatory activities
- Beware of the risk of elite capture—ensure adequate representation and voice for key groups, including the most vulnerable
- Work with a skilled facilitator (see Tool 7: Hiring a Good C&P Facilitator)
- Be mindful of time constraints of local people—such as harvest and planting seasons—and schedule around these
- Employ a minimum team of two: animator/facilitator and recorder of process and product
- Be mindful of body language
- Do not rush people, but do facilitate and help when requested
- Avoid leading questions. Instead, ask *open* questions, such as “What else?”
- Do not expect or force a consensus unless this was the specific purpose of the workshop; even then, it may only be achieved after several stages of C&P
- Ask, ask, askand listen!

Tool 7: **Hiring a Good C&P Facilitator**

Capable facilitators support ADB’s project, program, and policy design work. The quality of facilitation—including the design of the process—very much influences the quality of the products that inform ADB decisions.

The role of the facilitator is to assist with a process of information exchange, and to help workshop participants collectively focus on the issues and reach decisions. The facilitator also makes sure that the time invested by participants in the consultation is well-spent.

A Partnership to Fight Poverty in the Philippines

The Country Poverty Analysis (CPA) for the Philippines was prepared during the second half of 2004 as an input to the Philippines Country Strategy and Program 2005–2009, one of ADB’s first results-based CSPs. *Poverty in the Philippines: Income, Assets, and Access* was published in January 2005 to broad press coverage, discussion, and debate. This was always one of the goals of publishing the CPA: to spark interest and raise awareness of the issues surrounding poverty in the Philippines.

The debate and discussion had originally begun with a half-day consultation meeting for external stakeholders, organized at ADB in November 2004. The workshop was attended by 36 participants from government agencies such as the National Anti Poverty Commission (NAPC) and the National Statistical Coordination Board (NSCB), NGOs, international organizations, bilateral development agencies, and embassies. Participants were given a copy of the draft CPA, along with printouts of a summary of CPA highlights in PowerPoint presentation form. The presentation was kept brief, given the main goal of sparking discussion among participants. Among the themes discussed were analysis of the latest poverty data, inequality, assets and “access poverty,” the causes of poverty in the Philippines, the Millennium Development Goals, and an overview of the Government’s poverty reduction programs.

The CPA greatly benefited from inputs received at the consultation workshop. One of the most significant comments had to do with a perceived omission from the list of major causes of poverty. The representative to NAPC for persons with disabilities pointed out that an estimated 10% of the population has some form of disability, and that the disabled in the Philippines are overwhelmingly poor. Exclusion and marginalization of disabled people reduce their opportunities to contribute productively to the household and to the community, which in turn increases the risk of poverty. Not only does disability cause poverty, but poverty causes disability as well. The NAPC representative’s poignant observations hit home with the CPA team. After further research, disability was added as a seventh major cause of poverty in the Philippines.

The consultation workshop also served to build a relationship with the Government of the Philippines on poverty issues. A month after publication of the CPA, the NSCB released the newest poverty data for 2003. Results conflicted with what had been predicted in the CPA, which naturally caused some discussion in the press. Building on the ties that had been established during the November 2004 CPA consultative workshop, ADB and the government agreed to host a joint public forum on poverty

A Partnership to Fight Poverty in the Philippines *(cont'd.)*

estimates, organized at ADB in May 2005. More than 220 participants attended the forum, where various stakeholders deliberated poverty definition and measurement issues, and discussed the latest numbers. The CPA and other documents were circulated to participants. Attendees included 54 representatives from civil society and academe, 15 NAPC “basic sector” representatives (e.g., urban poor, persons with disabilities, fisherfolk, senior citizens, etc.), international organizations, and 129 representatives of various parts of the public sector.

Source: Southeast Asia Regional Department.

- Select facilitators who have a demonstrated donor track record with the particular C&P tools that are envisioned for use
- Ask the resident mission and other donors for recommendations for skilled local facilitators to keep cost down and to ensure local knowledge
- Draft a clear TOR including clear objectives, deliverables, and milestones for C&P work. Be clear about roles and responsibilities for C&P logistics
- Interview potential consultants—ask them how they build group consensus, manage conflict, and how donors have used the results of their work
- For grassroots work, make sure the facilitator has language skills, knowledge and successful experience at that level
- Request writing samples
- Ask C&P facilitators to produce a clear process design as one of their first deliverables. Review and improve as needed
- Actively manage the C&P facilitator, review quality of interim reports, and push for improvements as necessary

COSO maintains a roster of DMC facilitators whom it has trained in participatory project design.

Tool 8:

Tips for Effective Consultations in Country Strategy and Program

- Basic principles:
 - Build on existing participatory processes, mechanisms, and assessments, especially in PRSP countries
 - Start C&P from the preparatory stage of sector/thematic/poverty diagnostics
 - Use local resources as much as possible

- Before CSP consultations:
 - Complete a thorough stakeholder analysis
 - Have a supportive country team with strong leadership
 - Consider seeking trust fund support as needed
 - Ensure senior DMC counterparts understand and are committed to a participatory approach
 - Set up an ADB, DMC team to develop an initial C&P plan
 - Select CSOs from credible civil society networks
 - Provide information on the process and timelines
 - Develop a dissemination strategy
 - Provide background information on the strategy

- During the CSP formulation:
 - Use skilled neutral groups to conduct C&P work
 - Include line ministries and local government officials in C&P work
 - Engage poor and marginalized groups in the process
 - Coordinate efforts with other donors to identify areas of comparative advantage
 - Link C&P work to development of a good results framework
 - Communicate and provide feedback at all stages of the CSP

- After the C&P phase:
 - Provide feedback on why certain stakeholder suggestions were/were not incorporated
 - Translate the final document into the local language
 - Institutionalize the process.

The role of the facilitator is to assist with a process of information exchange, and to help workshop participants collectively focus on the issues and reach decisions

Example: The PRC—Catalyzing First Steps Toward Inclusive Poverty Reduction

ADB's work with the CSP for the PRC exemplifies some good practices in helping government make incremental steps toward more inclusive poverty reduction. A participatory poverty analysis was undertaken to provide data to support the development of the CSP. A national poverty workshop held at the end of the activity was the first of its kind organized by an international donor, bringing together representatives of poor communities, government, NGOs, and the private sector. Participatory and traditional appraisal work took place in two poor communities. Several community representatives attended the national workshops and their voices were heard on local poverty issues and priorities. Due to this exposure, the State Council Leading Group Office of Poverty Alleviation and Development incorporated participatory methods as part of its poverty assessment toolkit and 10-year poverty reduction strategy.

Tool 9: Managing Risks of C&P

Using participation well is always a challenge. This Guide has cited some common risks, such as raised expectations, costs, reluctance to share decision making, elite capture, government mistrust, and ensuring the quality of C&P. Here are several tips to help team leaders better manage these risks:

- From the Outset:
 - Be prepared to demonstrate leadership
 - Draw on the lessons learned from similar projects, and confer with colleagues with knowledge in applying C&P, both in and outside of one's department
 - Try to designate a portion of the TA or loan itself to defray participation costs, remembering that such costs are likely to be repaid through improved results
 - Plan for C&P as early as possible; fact finding TA is a good entry point

- Identifying and Engaging Stakeholders
 - Reach out to local and national level government officials, and seek their support for participation of key stakeholders who wish to be involved
 - Use a stakeholder analysis and C&P plan to ensure adequate representation and engagement from the right groups
 - Set clear objectives for C&P, being upfront with stakeholders about what can and cannot be delivered or considered by ADB
 - Be wary of capture by elites or aggressive interest groups, and make extra efforts to hear the voices of poor and vulnerable groups, who are often the intended beneficiaries of the project

- Bolster Support for C&P
 - Where possible, build on local institutions and traditions to reinforce C&P and project quality
 - Use skilled C&P facilitators/consultants with a suitable approach and relevant skills; manage them actively
 - Ask that the executing agency include a brief update on the implementation of the C&P plan in its quarterly reports to ADB
 - Confirm that agencies involved in project management and implementation are answerable to the people being directly affected or involved

- Additional Tips
 - Share information openly so that stakeholders can provide input based on informed views, and to maintain their trust and support as implementation proceeds
 - Understand the strengths, weakness of the C&P methods chosen, including time, cost, facilitation, and reporting requirements
 - Be sensitive to local social and cultural norms of stakeholders
 - Do not expect immediate consensus; this may take time to nurture
 - Avoid using C&P as an afterthought or as window dressing as this devalues people and undermines ADB's credibility

FAQs—Frequently Asked Questions

Q1: *Can you say more about the measurable benefits of C&P?*

A1: A cross-sector study of 68 World Bank projects indicates projects well aligned with socio-cultural conditions had average rates of economic return that were more than twice as high as those for socially incompatible and poorly analyzed projects.²⁵ A multiagency statistical analysis of 121 rural water supply projects found that “beneficiary participation” was the single most important factor in determining overall quality of implementation.²⁶

Q2: *Can you say more about the costs of C&P?*

A2: Costs are highly variable. A World Bank study of participatory projects found a cost increase of 10–15% for preparation and supervision budgets, largely offset by use of trust funds.²⁷ The *World Bank Participation Sourcebook* illustrates several case studies where the added cost for C&P was in range of \$10,000–30,000 with costs being shared between the government and the Bank. Other World Bank studies show that although it may take longer to prepare projects with C&P, no additional time is required to present them to the board of directors for approval or to become effective.²⁸ Projects with relatively modest C&P plans will not require much additional time or cost. Others, such as large dam projects, may require an extended and complex C&P plan taking over 1 year and costing hundreds of thousands of dollars. C&P also has opportunity costs for the groups that are engaged.

Q3: *Which kinds of projects are amenable to C&P?*

A3: Participatory methods can be used in all kinds of projects, including policy-based lending and large infrastructure activities, not just poverty reduction and social projects. A minimum

requirement is that ADB, the government, and key stakeholders mutually agree to implement a participatory process.

Q4: *Are there places where participation works particularly well?*

A4: Yes—where stakeholders are willing to participate and where there are clear benefits, no conflicts over basic goals, and prior favorable experience with C&P.

Q5: *Are there situations where C&P is not appropriate?*

A5: Very few. More limited participation may be appropriate at the earliest stage of emergency response, and in post-conflict situations, and in situations where the government strongly opposes participation. The key is to design a C&P approach tailored to opportunities and constraints unique to the particular situation.

Q6: *How much C&P is enough?*

A6: A solid C&P plan (meeting the checklist criteria for Tool 2) is a good way to assess adequacy. The adequacy of C&P does not occur in a vacuum. It depends on the activity's scope and objectives, complexity of stakeholder interests, and other social and political factors in the setting. Activities that involve high social, economic, or environmental risks or central objectives promoting participation and empowerment will require more and deeper participation throughout the project cycle. Projects with few competing interests will require less C&P. C&P in politically hostile environments may be challenging, but not impossible. In some such situations, ADB might choose to invest considerable C&P resources to encourage reform and build local capacity.

Q7: *What if a group refuses to come to the table or we are at an impasse?*

A7: First, assess how critical the group is to successful preparation and implementation. If the group is vital to the project and refuses to cooperate—even with repeated peaceful persuasion—then one might need to consider mediation, a significant change to the design, or as a last resort, abandoning the project.

Q8: *What about C&P for private sector activities where the private sector sponsor has prepared the project?*

A8: It is still a good idea to prepare the stakeholder analysis and do some due diligence on stakeholder interests to make sure that there are no surprises. Although one must be attentive to business confidentiality concerns, companies have over the years become much more open about their practices related to social and environmental issues. The International Finance Corporation (IFC) has published a “how to” manual for IFC clients on managing the expectations of local communities, tailoring consultation to a private sector context, and encouraging consultation between companies and their local stakeholders throughout a project’s lifecycle.²⁹

Q9: *Where can I go to get training?*

A9: ADB provides staff training in participation-related areas, including C&P, relations with NGOs/CSOs, and the safeguard policies. In addition, there are many training programs and institutes in the region with expertise in participatory methods, such as the International Institute for Rural Reconstruction in the Philippines, and the Institute for Participatory Practices (PRAXIS) in India.

A multiagency statistical analysis of 121 rural water supply projects found that “beneficiary participation” was the single most important factor in determining overall quality of implementation

Examples of C&P in ADB's Operations Manual

Accountability Mechanism, L1/OP

56. Specific activities of the Office of Special Project Facilitation (OSPF) include...facilitate a consultative dialogue, use its good offices, and/or facilitate the establishment of a mediation mechanism...inform the Board and other stakeholders about the results of specific consultation activities.

Cooperation with NGOs, E4/OP

57. Consultation with NGOs has increasingly become a standard part of ADB project. Identification and design activities. Either as sources of information, partners, or project consultants, NGOs can provide alternative perspectives on development questions; new views on the needs, desires, and perspectives of intended beneficiary communities; and input on implementation modalities for ADB-funded loan and TA activities.

58. During project or TA implementation, NGOs with sufficient capacity may be engaged, where appropriate, and subject to government concurrence, as executing or implementing agencies, or can be contracted to deliver specific project components or services, including community mobilization, training, or the delivery of project services to selected communities or populations. NGOs may also have a role in monitoring program/project and TA implementation, and in helping address issues of project sustainability, such as ongoing operation and maintenance of community infrastructure. In the case of private sector projects, NGO engagement is subject to the concurrence of project sponsors.

Country Strategy and Program, A2/OP

59. The draft CSP initiating paper is discussed with DMC stakeholders, revised as necessary, and confirmed by the stakeholders.

60. The CSP formulating mission also holds in-depth discussions with the DMC government and civil society on strategies to reduce poverty. This is usually best carried out through a forum of all stakeholders and is intended to help finalize or refine the government's poverty reduction strategy. On this basis, ADB identifies aspects of the strategy that match ADB's priorities and comparative advantages.

Disaster and Emergency Assistance, D7/OP

61. Participatory processes are an integral part of ADB's work, with the focus on enhancing poverty reduction through shareholder inputs and ownership. ADB considers that nurturing public, private, and civil society participation in all areas of operations is vitally important, and nowhere is this imperative more critical than in emergency preparedness and crisis response. Even though the time frame may be more compressed than under normal circumstances given the exigencies of emergency assistance, ADB will continue to use an extensive consultative and participatory process in project design to the extent possible. Effective communications facilitate this process.

Gender and Development, C2/OP

Have women and men been consulted and involved equitably in project design and implementation?

Environment Considerations, F1/OP

62. *Public Consultation.* ADB requires public consultation in the environmental assessment process. For category A and B projects, the borrower must consult with groups affected by the proposed project and local NGOs. The consultation needs to

be carried out as early as possible in the project cycle so that views of affected groups are taken into account in the design of the project and its environment mitigation measures. Such consultation will also take place during project implementation to identify and help address environmental issues that arise. For category A projects, ADB ensures that the borrower carries out public consultation at least twice: (i) once during the early stages of EIA field work; and (ii) once when the draft EIA report is available, and prior to loan appraisal by ADB. The public consultation process needs to be described in the EIA and SEIA reports. ADB's *Environmental Assessment Guidelines* describe the best practices for consulting stakeholders and providing access to information.

Governance, C4/OP

63. *Participation.* The principle of participation derives from an acceptance that people are at the heart of development. At the broader, societal level, recent research has demonstrated that governments are often most effective when they operate within a robust civil society. Participation of civil society offers an additional and complementary means of channeling the energies of private citizens. NGOs, for example, can be helpful in identifying people's interests, mobilizing public opinion in support of these interests, and organizing action accordingly. They can provide governments with a useful ally in enhancing participation at the community level and fostering a "bottom-up" approach to economic and social development.

64. At the project level, a growing body of empirical evidence demonstrates that initiatives tend to be more successful when stakeholders and beneficiaries are integrated into the planning process. This principle also contains a normative component, in the belief that people have a right to be consulted about initiatives that will have a major impact upon their welfare and lifestyle. Participation implies that government structures are flexible enough to offer beneficiaries and others affected the opportunity to improve the design and implementation of public policies, programs, and projects.

Activities that involve high social, economic, or environmental risks or central objectives promoting participation and empowerment will require more and deeper participation throughout the project cycle

Incorporation of Social Dimensions in ADB Operations, C3/OP

65. Depending on the circumstances in the DMC, consultations will be held by Bank staff, while carrying out the [CSP] jointly with key government officials, with NGOs, business associations, labor unions, women's organizations, and indigenous people.

Indigenous Peoples, F3/OP

66. The policy requires consultation with and participation by affected indigenous peoples in formulating development interventions to ensure their needs, priorities, and preferences are adequately dealt with in development plans.

67. When serious differences between project sponsors and affected indigenous peoples are evident with regard to project design and implementation, adequate time must be allowed for the government or the project sponsor to resolve these differences, before ADB commits its support for the project.

Involuntary Resettlement, F2/OP

68. The affected people are to be fully informed and closely consulted. Affected people are to be consulted on compensation and/or resettlement options, including relocation sites, and socioeconomic rehabilitation. Pertinent resettlement information is to be disclosed to the affected people at key points, and specific opportunities provided for them to participate in choosing, planning, and implementation options. Grievance redress mechanisms for affected people are to be established. Where adversely affected people are particularly vulnerable groups, resettlement planning decisions will be preceded by a social preparation phase to enhance their participation in negotiation, planning, and implementation.

Public Communications, L3/OP

69. *Information for Affected People.* To facilitate dialogue with affected people and other individuals and organizations, information about a public or private sector project under preparation (including social and environmental issues) shall be made available to affected people.

70. ADB shall work closely with the borrower or project sponsor to ensure information is provided and feedback on the proposed project design is sought, and that a focal point is designated for regular contact with affected people. This should start early in project preparation, so that the views of affected people can be adequately considered in project design, and continue at each stage of project preparation, processing, and implementation. ADB shall ensure that the project's design allows for stakeholder feedback during implementation. ADB shall ensure that relevant information about any major changes to project scope is also shared with affected people.

ADB requires public consultation in the environmental assessment process. For category A and B projects, the borrower must consult with groups affected by the proposed project and local NGOs. The consultation needs to be carried out as early as possible in the project cycle so that views of affected groups are taken into account in the design of the project and its environment mitigation measures

Evaluations of C&P in ADB operations

OED has published special evaluation studies on participation, including participation of CSOs in ADB-assisted activities. Key examples include:

The Role of NGOs and Community-Based Organizations in Asian Development Bank Projects (1999). Available at: www.adb.org/NGOs/docs/ses_ngos.pdf.

Participatory Development Processes in Selected Asian Development Projects in Agriculture, Natural Resources, and Social Infrastructure Sectors (2001). Available at: www.adb.org/Documents/PERs/Ss43.pdf.

Participatory Approaches in Forest and Water Resource Operations in Selected Developing Member Countries (2003). Available at: If not too late, please change the URL for Participatory Approaches in Forest and Water Resource Operations in Selected Developing Member Countries (2003) to: www.adb.org/Documents/SES/REG/sst_reg_200332.pdf.

Effectiveness of Participatory Approaches: Do the New Approaches Offer an Effective Solution to the Conventional Problems in Rural Development Projects? (2004). Available at: www.adb.org/Documents/Reports/Evaluation/sst-reg-2005-01.pdf.

Involvement of Civil Society Organizations in ADB's Operations (2006). Available at: www.adb.org/Documents/SES/REG/Civil-Society-Organizations/SST-REG-200609.pdf

Endnotes

- ¹ The *ADB Consultation and Participation Toolkit* (2006) provides additional documentation on C&P, including templates, sample terms of reference, case studies, and participation-related resources of other development agencies. The Toolkit builds on the *Handbook for Incorporation of Social Dimensions in Projects* (ADB, 1994), available at: www.adb.org/Documents/Handbooks/Social_Dimensions.
- ² The Guide does not impose new requirements on staff and is not subject to compliance under ADB's Accountability Mechanism.
- ³ See, for example, Renfro, Raymond Z., "The Value of Participation in Development – Relevance to Soil and Water Conservation," keynote address delivered at the International Symposium on Participatory Strategy for Soil and Water Conservation in Tokyo on 27 November 2004. See: www.adbi.org/speeches/2004/11/27/828.soil.water.conservaion/.
- ⁴ The rationale for C&P is also underscored in ADB's *Special Evaluation Study on Participatory Development Processes in Selected Asian Development Projects in Agriculture, Natural Resources, and Social Infrastructure Sectors* (February 2001). The study highlights the need for ADB to modify and strengthen project identification and preparation processes and procedures to incorporate deeper levels of stakeholder participation in order to improve project quality at entry and performance. See: www.adb.org/Documents/PERS/SS43.pdf.
- ⁵ See: www.adb.org/Documents/Policies/Poverty_Reduction.
- ⁶ The Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD) defines participation as "a process by which people take an active and influential hand in shaping decisions that affect their lives." See DAC Expert Group on Aid Evaluation (1997) *Evaluation of Programs Promoting Participatory Development and Good Governance – Synthesis Report*, 22. Paris:

- OECD. Available at: www.oecd.org/dataoecd/31/13/2755291.pdf.
- ⁷ OECD, p. 23.
- ⁸ See: www.adb.org/Documents/Guidelines/PPMS/Guidelines-on-Preparing-a-Design-and-Monitoring-Framework.pdf.
- ⁹ The C&P plan is referred to as the “participation strategy” in Section C of the Initial Poverty and Social Assessment.
- ¹⁰ For example, see Appendix 16 (pages 56–57) in the RRP for the Dali-Lijiang Railway Project (PRC), 11 November 2004, at www.adb.org/Documents/RRPs/PRC/rrp-prc-36432.pdf.
- ¹¹ For more on the evaluation of C&P in projects, see Karl, Marilee (November 2000) “Monitoring and Evaluating Participation in Agriculture and Rural Development Projects: An Annotated Bibliography,” Food and Agriculture Organization website, www.fao.org/sd/PPdirect/PPre0074b.htm.
- ¹² OM E4/OP recognizes that “NGO knowledge and perspectives similarly can be applied to project benefit or impact monitoring and evaluation. Where appropriate, ADB review, monitoring, and evaluation missions may contact NGOs to gain their views and gather additional information.”
- ¹³ Armytage, Livingston, “Pakistan’s Law and Justice Sector Reform Experience: Some Lessons,” *Law, Social Justice & Global Development Journal*, 2004. See: www2.warwick.ac.uk/fac/soc/law/elj/lgd/2003_2/armytage/.
- ¹⁴ Staff Instructions on Policy and Strategy Development in ADB, approved 22 July 2004, apply to the procedures for identifying, preparing, and processing policy and strategy papers.
- ¹⁵ *ADB-Government-NGO Cooperation: A Framework for Action, 2003–2005* was prepared using the writeshop methodology. See: www.adb.org/NGOs/Framework/framework_development.asp.
- ¹⁶ The team that managed the review of ADB’s Inspection Function created a detailed website for consultation purposes. See: www.adb.org/inspection/review.asp.
- ¹⁷ Although they have not been set up for external consultations on ADB policies and strategies, e-mail or web-based discussion groups have used by other intergovernmental organizations to promote deliberation among stakeholders on proposed policy changes. For example, in May 2004, the World Bank Institute and the International Finance Corpora-

tion designed and organized a 12-day global multi-stakeholder e-discussion on disclosure of information and consultation in private sector projects.

- 18 For example, see the treatment of external comments received on ADB's Information Policy and Strategy, and Policy on Confidentiality and the Disclosure of Information: www.adb.org/Disclosure/compilation_external_comments.pdf. Another example of responding to stakeholder inputs is provided by the review of the implementation of the Water Policy: www.adb.org/Water/Policy/comprehensive-review.asp#feedback.
- 19 Use meta cards, post-it, or index cards for this exercise. It helps to visualize the results, facilitates group discussions, and makes changes to the presentation easy. A sample toolkit is available from COSO.
- 20 If a stakeholder group has interests contrary to a proposed project, it is reasonable to expect that it would use resources at its disposal to counter the execution of such a project. To identify such possible obstacles, and work out ways of avoiding them, is part of the strategizing and institutional diagnostics that stakeholder analysis can facilitate.
- 21 See: www.dfid.gov.uk/pubs/files/BPG02.pdf.
- 22 See: www.odi.org.uk/RAPID/Tools/Toolkits/Communication/Stakeholder_analysis.html.
- 23 See: www.ausaid.gov.au/ausguide/pdf/ausguideline3.3.pdf. In particular, note Section 2.2 (Stakeholder Analysis) and Annex B (Stakeholder Analysis Tools).
- 24 See: www.adb.org/Disclosure/compilation_external_comments.pdf.
- 25 Kottak, Conrad Philip (1991), "When People Don't Come First: Some Sociological Lessons from Completed Projects," in Cernea, Michael M. (ed.), *Putting People First: Sociological Variables in Rural Development*, New York: Oxford University Press.
- 26 Rudqvist, Anders and Prudence Woodford-Berger (1996). *Evaluation and Participation: Some Lessons*, SIDA Studies in Evaluation 96/1. Stockholm: SIDA.
- 27 Bhatnagar, Bhuvan (1992) "Participatory Development and the World Bank: Opportunities and Concerns," in Bhatnagar, Bhuvan and Aubrey C. Williams (eds.), *Participatory Devel-*

opment and the World Bank: Potential Directions for Change, World Bank Discussion Paper 183, Washington, D.C.: The World Bank.

²⁸ Karl, Marilee.

²⁹ IFC (1998). *Doing Better Business through Effective Public Consultation: A Good Practice Manual*. Washington, D.C. Available at: [www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/p_pubconsult/\\$FILE/PublicConsultation.pdf](http://www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/p_pubconsult/$FILE/PublicConsultation.pdf).