



en breve



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EMPOWERING THE POOR: ENGAGING CIVIL SOCIETY IN WORLD BANK OPERATIONS

LCR Civil Society Team

Context

The beginning of the new millennium finds the Latin America and Caribbean region having made progress on several fronts. Health and education indicators continue to improve and all but one country hosts democratically elected governments. However, poverty rates are still high – 34.6% in 1998 compared to 33.4% in 1986, and extreme poverty is up from 14.4% in 1986 to 16.1% in 1998. Inequality is growing in many countries. In addition, corruption continues to haunt the region and there is a perception, at least among the poor, that reform programs have not delivered on their promises and that they are increasingly being excluded from markets, good quality public services and decision-making processes that affect their lives¹. This has led to a lack of confidence in public institutions and decision makers in many countries, as well as a feeling of despair which manifests itself in a variety of ways throughout the region.

Why is working with civil society important?

The Bank believes that working with civil society is important for at least six reasons. First, the region has changed and now offers a democratic context in which civil society can provide important partners in addressing persisting challenges. Second, the development paradigm

has also changed. It is now widely recognized that no one actor can reduce poverty alone, and that a concerted approach by a variety of partners – including civil society organizations – is needed. Third, there is increasing evidence that engaging civil society organizations makes good business sense. Evidence from cross-country studies suggests that, at the macro level, civic participation and trust can promote sustainable economic growth, efficient judicial systems and good governance and effective public expenditures. At the micro or project level there is ample evidence, including evaluations conducted by the Operations Evaluations Department (OED), that participation of civil society organizations in Bank projects increases development effectiveness and helps ensure that investments are sustainable, as well as helping leverage additional resources. As a result, the World Bank has made engaging civil society a corporate priority and mainstreamed this idea in new instruments such as the Comprehensive Development Framework (CDF), the Poverty Reduction Strategy Papers (PRSPs) and consultative approaches to Country Assistance Strategies (CASs).

The Latin America and the Caribbean Region of the Bank (LCR) has piloted many of these new approaches and has also amassed its own body of evidence of the contributions that civil society can make to specific products – including analytical work, project investments, non-project investments and non-lending instruments². Fourth, the challenges faced in the region



Empowerment means increasing poor people's access and control over resources and decisions by changing the nature of the relationship between poor people and state and non-state actors

- including weak institutions and large-scale corruption – suggest that there is a need to increase civic participation in, and public scrutiny of, public sector activities in order to achieve effective, responsive and accountable public action.

Fifth, the World Bank is increasingly positioning itself as a facilitator of global knowledge and dialogue on development issues, and civil society organizations can be an important source of knowledge. Finally, the negative image that some citizens and groups have of the World Bank (notably the social movement against “globalization”) needs to be addressed effectively through informed dialogue if obstacles are to be avoided.

The beginning of the millennium also saw some significant changes within the World Bank. The World Development Report 2000/2001 highlights the role of empowering the poor and making institutions accountable to them as one of three pillars of a poverty reduction strategy. The WDR 2000/2001 sets out three components for promoting empowerment: (i) ensuring that *institutions are responsive and accountable to users*, especially the poor and excluded, (ii) building the *capacity of the poor and excluded to voice their own opinions* in the formulation of public policy, and (iii) *removing obstacles* that prevent the poor and excluded from accessing public services and institutions. In addition to the WDR 2000/2001, the World Bank, together with the IMF and the international community generally, emphasizes the importance of building country ownership around development strategies *inter alia* by including civil society organizations in the preparation, implementation and monitoring of Poverty Reduction Strategy Papers (PRSPs). The development of new tools such as programmatic lending, the World Bank to recognize the need to help countries strengthen their institutional capacity to deliver monitorable results in poverty reduction across sectors – beyond specific projects. The increasing attention within the World Bank to achieving results in poverty reduction through empowering the poor and promoting effective and accountable institutions is a timely development which responds well to the challenges presently faced in the region.

How far have we come?

LCR has a long and rich experience of engaging civil society organizations around its investment projects, dating

back to the first social investment funds in the 1980s. Today, LCR continues to develop an important portfolio of community-driven development projects, primarily but not exclusively in the social sectors. Although the majority of

Box 1 - Using Non Lending Services to Build Bridges: The Peru Poverty Dialogue

Following a poverty assessment in 1997 which suggested that duplication and lack of synergy among development actors were likely to hamper further gains in poverty reduction, the World Bank suggested the establishment of an inclusive forum for plural debate and action. In 1998, with the agreement of other donors and eventually the government, the National Poverty Dialogue was established. The objective: to share experiences and information and promote better use of poverty reduction resources in the country.

After three sets of decentralized, theme-specific poverty dialogues during 1998-2001, the National Poverty Dialogue is an institutionalized plural space. A diverse set of stakeholders - Government, civil society, private sector - came together to share experience around three themes: (i) techniques for monitoring and evaluation, (ii) access, quality and coverage of basic services, and (iii) employment and income generation. As a result, information has begun to flow more regularly among actors and some specific collaborative acts have been undertaken, creating an environment encouraging open debate.

Under the transition government, the true fruits of the Poverty Dialogue finally became apparent. The government, recognizing the need to institutionalize plural debate and create country ownership around development strategies, issued a presidential decree, thereby giving longevity to the forum. In addition, it began the process of charging the Dialogue with the design and implementation of decentralizing this effort to establish local coordinating bodies (*mesas de concertación*) which will be charged with the planning and monitoring of all public funds allocated for poverty reduction.

Today, the mesas have become an important element of the various accountability and transparency mechanisms used in Peru which aim to give citizens more influence in the formulation, implementation and evaluation of public policy as well as ensuring that institutions and officials are held accountable. These transparency and accountability mechanisms are now being supported under the Peru Programmatic Loan. They provide the opportunity to promote a new level of accountability and scrutiny as well as promoting “voice” in public policy processes.

civil society engagement occurs around products in the rural, environmental, health, education and social protection sectors, increasingly World Bank-financed projects in judicial reform and infrastructure sectors also reach out to civil society organizations. In addition, some progress has been made in piloting civic engagement in reform and adjustment programs.

In addition to engaging civil society organizations around project investments, LCR has found new opportunities for engaging civil society around non-lending activities and analytical work. LCR, for example, has provided non-reimbursable resources through non-lending services and

grant programs to facilitate dialogue between governments, civil society organizations and other development actors on a range of issues. The Peru Poverty Dialogue (Box 1) is an example of such a non-lending service.

Finally, LCR increasingly reaches out to a broad array of civil society organizations in the design of its Country Assistance Strategies (CAS) and analytical work. The poverty assessment in Guatemala, for example, (to be highlighted in a forthcoming “en breve”) is using participatory and qualitative techniques to shed light on the links between poverty, social capital and empowerment, to build local capacity to do such work and to influence public policy.

Lessons to date

The experience of recent years suggest that engaging civil society organizations around World Bank products is a worthwhile but complex endeavor. While on balance the benefits clearly outweigh the costs, the LCR Civil Society Team avoids a simplistic and unrealistically idealistic view of civil society organizations and recognizes that engaging such organizations is full of challenges and risks. The internal challenges, or those related to the functioning of the World Bank, include: (i) reconciling the pressures to disburse money to clients with taking time to consult important stakeholders, (ii) ensuring that the World Bank’s policies, developed by and for client governments are supportive of engaging civil society organizations, (iii) ensuring that a small team provides the sufficient support and tools to the majority of regional task teams, (iv) mainstreaming empowerment beyond the social sector portfolio, (v) allocating sufficient time and resources to planning and implementing participatory processes, (vi) being clear about limits, objectives and outputs from the outset so that expectations are not raised unnecessarily.

The external challenges include, (i) selecting representative and capable counterparts from a diverse group of civil society actors, (ii) ensuring that the voices of the most excluded are heard, either through organizations or directly,

(iii) securing government ownership for initiatives which may seem to counter traditional power balances, (iv) managing expectations and often conflicting interests and ultimately promoting agreements between actors where there are low levels of trust, (v) understanding the fluid and complex relationships between actors and within the civil society sector, (vi) building the capacity of civil society organizations so that interactions with governments or the World Bank are fair and informative, (vii) supporting governments in training their staff to engage with a broad range of often critical organizations and, (viii) supporting governments in providing an enabling environment that strengthens rather than undermines individual initiatives and ensuring that participatory processes are meaningful and are given follow up.

Box 2 - Strategic Actions for the LCR Civil Society Team

- Strengthening and promoting social accountability mechanisms in Bank-financed projects.
- Strengthening the capacity of civil society organizations to contribute to the formulation and implementation of public policies which seek to reduce poverty.
- Removing obstacles to and mobilizing resources for the empowerment of the poor

In addition, the field-based civil society specialists will continue to mainstream empowerment in LCR products by:

- Strengthening strategic partnerships among actors who seek to reduce poverty
- Finding new opportunities and generating understanding and support within the World Bank for the participation of civil society organizations in the fight against poverty

This Strategy will undergo a mid-term evaluation in September 2003 and a final evaluation in May 2005.

Going forward

Despite the experience gained in mainstreaming civil society participation in recent years, there is still room for improvement as well as opportunities for expanding activities in the region. These include: (i) engaging civil society organizations in non-traditional sectors and non-project lending, (ii) contributing to effective public sector reform by promoting a role for accountability mechanisms in monitoring and tracking activities in the public sector, (iii) contributing to the increasing evidence on the link between empowerment and poverty reduction, through civil society engagement, (iv) using non-lending services to facilitate dialogue and promote partnerships in preparation for mainstreaming tri-partite (government, civil society

and the private sector) mechanisms into future operations, (v) providing tools to assess the opportunities and track results in mainstreaming empowerment across portfolios, (vi) initiating informed dialogues on specific macro-economic and structural policies, and (vii) providing systematic access to information and knowledge to a broad range of actors at the local level.

In order to build on the progress made, address enduring challenges and seize new opportunities, the Civil Society Team in LCR has recently prepared its strategy for the next three years. This builds on the experience accumulated over

the past few years (with the implementation of the original strategy, adopted in 1999), as well as on consultations with partners in civil society across the region. It is grounded in the recognition of the principles from the World Development Report 2000/2001 discussed earlier (see Boxes 2 and 3).

About “en breve”

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Box 3 - Principles Guiding the LCR Framework:

- **Tailor strategies to local realities.** Blueprint approaches are at best inadequate: actions should be based on careful consideration of local contexts
- **Our role is to facilitate and let local partners lead.** For development to be sustainable local actors need to be in the driver’s seat. Thus, the role of the World Bank is to, at times, facilitate, provide information and introduce actors and ideas but not to lead, decide or impose. Gaining government ownership is particularly important both because of the inter-governmental mandate of the World Bank and the ownership it provides to initiatives.
- **Partnering with other development actors avoids duplication and creates synergies.** The region hosts a variety of development actors and rich resources. To address regional challenges a coordinated and concerted use of these resources is required.
- **Dialogues should be based on information and lead to action.** Constructive and meaningful dialogues are best achieved when they have government ownership, are focused, with realistic expectations on all sides, and are well prepared and informed. Sustained dialogues can only be achieved if participants trust that discussions will lead to action and that participants’ time is wisely invested.
- **Seek selectivity and use available resources.** Consultations can be costly both in terms of dollars and in terms of reputational risk. Thus, selecting activities where a real difference can be made as well as ensuring that task teams have sufficient budget and expertise is vital for successful initiatives.
- **Promote learning, drawing on successes and mistakes.** Taking time to reflect on initiatives, learning from mistakes and passing on examples of best practice is an inherent part of being a knowledge institution.
- **Respecting differences, recognizing conflict and seeking realistic consensus.** Given the diversity of interests and perspectives among social actors in the region, dialogues will not always result in complete consensus and are more than likely to involve some level of conflict. Recognizing differences of opinion and conflict is part of a legitimate process of democratic dialogue, and preparing to manage this is a key component of any partnership strategy.

Notes

¹- Voices of the Poor, World Bank 2000 (see <http://www.worldbank.org/poverty/voices/>)

² See [Thinking Out Loud I](#) and [Thinking out Loud II](#) as well as [Food for Thought](#), World Bank

About the LCR Civil Society Team

The Regional Civil Society Team is made up of a Team Leader and one Civil Society Specialist based in Washington DC and ten field-based Civil Society Specialists in the World Bank’s client countries in the region. Many of the activities are dependent on Task Team Leaders outside the Civil Society Team.

Useful Links

The authors have published a number of papers, documenting best practices and drawing lessons from on-the-ground experiences. These are available at:

<http://www.worldbank.org/laccs>

See also

The series “Thinking Out Loud” describes a set of innovative case studies on the topic of participatory instruments for Bank products. These papers are available in English and Spanish at <http://www.worldbank.org/laccs>, by sending a FAX to (202)-522-0054 or E-mail to LAC_Civilsociety@WorldBank.org

Some Titles from “Thinking out Loud IV” - Fall 2002

- Speaking Up And Out: Consultation Workshop Asks Salvadorans Living Abroad To Participate In The Judicial Modernization Process Back Home.
- Empowering Autochthonous Peoples In Honduras With Knowledge And Mechanisms For Social Auditing - The Nuestras Raíces (“Our Roots”) Program.
- Social Risk Management And Safety Nets In Colombia
- An Experimental Initiative in Building Social Accountability Mechanisms in Argentina
- Community Participation in Disaster Management : Reflections on Recent Experiences in Honduras and Nicaragua