

Community Consultation, Sustainable Development and the Inter-American Development Bank

A Concept Paper

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Introduction

This paper presents a framework for discussing community consultation in the context of the Inter-American Development Bank's projects. The paper also offers suggestions on the opportunities, risks, costs, methods, and techniques of community consultation. The paper is not intended as a manual or guideline, but rather as a stepping stone in the process of preparing sound guidelines and procedures for Bank staff, borrower agencies and stakeholders.

After discussing some of the links between consultation, development, equity, civil society and the current IDB policy framework, the paper analyzes the terms "consultation," "participation," "community," and "stakeholder," in relation to each other and to the development process. It will discuss reasons for promoting community consultation and identify opportunities for doing so in the context of the project cycle. Even though the paper attempts to cover most basic concepts, the emphasis is on: (1) community consultation rather than the broader concept of community participation, consultation being a necessary precondition for effective participation; (2) consultation with communities targeted by Bank projects as opposed to all the stakeholders involved; and (3) consultation at the project design and execution level, rather than at the policy and country programming stage.

Making community consultation constitutive of project work is consistent with the IDB's current policy as established in the Eighth Replenishment mandate approved in 1994. Its emphasis on poverty reduction as the overarching goal of Bank action adds a new dimension to consultation and broadens its scope from the environmental area to all sectors of Bank activity. The problems and risks of putting effective consultation into practice, and the conditions necessary for its success, will be discussed. The paper will conclude by offering several suggestions for further action.

Consultation, Development, Equity, and Civil Society

Experience has shown that top down capital and technology transfers to developing nations are in themselves rarely sufficient to alleviate poverty. Indeed, they may actually exacerbate economic inequities and sociopolitical injustice. In addition to natural resources and capital goods, human resource enhancement is essential to achieve sustainable development that enlarges the range of choices ordinary people can make about their own lives (Robinson 1994, Todaro 1994). Moreover, even politically and economically deprived groups can reject agendas set for them by others. For reasons both of development and justice, these deprived people, particularly women, youths, ethnic minorities and the destitute must have more power to shape their own lives. Three important criteria for ethical policy-making are complete consideration of impacts, good information, and awareness of alternatives.

Complete Consideration of Impact

Complete consideration of impact is twofold. It involves a complete list of different stakeholders who are favorably or unfavorably affected and a complete account of the different kinds of impacts (social, cultural, economic, ecological, environmental, political, emotional, nutritional, health ...). With the help of local people, a preliminary matrix of stakeholders and impacts can then be constructed.

Need for information

Impacts can never be completely predicted, and unintended and/or hidden effects often have to be dealt with. The real test of an ethically acceptable approach is an honest awareness of the need for further information and a well educated ability to determine (guess) where one ought to seek more information. This criterion often leads to the identification of trouble spots and a revision of the stakeholder and impact matrix.

Awareness of Alternatives¹

In order to minimize adverse impacts, alternative choices and their risks should also be considered. Otherwise it is not possible to weigh the advantages of alternatives. Decisions should be made to conform to what is considered just, fair and equitable to all persons affected by the decision. Here recent advancements in conflict resolution are important.

There is evidence, too, that consulting the community about the agenda for development projects does work and does serve the ends of social and economic development. Consultation that goes beyond eliciting informed consent and involves poor men, women, and youths in decision-making is usually effective, efficient and equitable. Community consultation enlarges people's range of choices. When people are consulted about projects and use their own knowledge to shape projects, they find ways to make them effective and productive. But institutionalizing consultative methods is difficult for everyone concerned. Donors have to rethink funding procedures and standards of accountability; state agencies have to reorganize internal structures; project managers have to learn more about the diversity of actors, interests and conflicts in communities and, usually, find ways to cooperate with existing local organizations. It takes time, practice and confidence to overcome dependence on patrons and overlords. Community consultation is complex and difficult, and the opportunities for elites to capture resources are as endless as the ways some governments try to twist local self-reliance into modern forms of corvee.

At the same time, community consultation enhances men's and women's capacity to organize themselves to solve the problems they experience and articulate. Any project has a political aspect. When community consultation in making decisions at the different levels of the project cycle is continuous, voluntary, sustained and strong, it becomes a template for an open, democratic civil society, which is, in turn, a condition for economic growth (IDB 1994:7). There is "a vital connection" between good governance and "sustained economic and social development" (OECD 1995:5), and between them and a more equitable sharing of development benefits. While certain constitutional forms of government are necessary for a just and developed civic society, they are not sufficient. There must also be equitably distributed rights and responsibilities over

¹Awareness of alternatives also includes inaction as an option.

the daily agenda of life. This must be associated with closer relationships among men and women across local communities, so that a single empowered group or community is not overwhelmed by state agencies or elites.

Empowering poor men and women to consult throughout the project cycle will exercise and strengthen the vital connection between lessening poverty and increasing justice in civic society. Precisely because consultative processes are likely to meet with resistance, the commitment by international lending agencies to consultation and participation as a condition for financial support is vital.

Community consultation is a precondition for the devolution of power and authority to local groups, but participation and empowerment are not panaceas for poverty and injustice. While devolving power to the disenfranchised will generate concerns, not all of which can be anticipated, it is nevertheless a way to begin building the human resources that are the foundation of civil society.

Current IDB Policy Framework

In 1990, a first strategy document on consultation, entitled *Strategies and Procedures for the Interaction between the Inter-American Development Bank and Nongovernmental Environmental Organizations*, was issued by the Environment Committee of the IDB, the CMA, which is responsible for the environmental quality control of all Bank operations. This document recognizes the principle of NGO participation on environmental issues in Bank projects and lists areas for cooperation in project design and execution, as well as policy related consultation.

Another 1990 document issued by the CMA and entitled *Procedures for Classifying and Evaluating Environmental Impacts of Bank Operations* calls for NGOs and affected populations to be consulted in the Environmental Impact Assessment (EIA) process: “The direct beneficiaries and the general public (e.g. local environmental groups) must participate in a formal and verifiable way in the preparation of the terms of reference for the EIA.”

A third CMA document also issued in 1990 (*Strategies and Procedures on Socio-Cultural Issues as Related to the Environment*), specifically deals with involuntary resettlement and indigenous peoples’ issues, and places strong emphasis on “the importance of community consultation and participation in all stages of project design and execution as essential for successful project execution and outcome.”

The 1994 *Report on the Eighth General Increase in the Resources of the Inter-American Development Bank*, which is the broad policy framework for Bank action into the next century fully endorses these principles with regard to environmental and related issues, and “...expects borrowers to conduct consultation processes, for all [environmental] projects which may have a significant negative impact, that are designed to elicit informed opinions from affected communities and other local parties having a legitimate direct interest in an operation” (IDB 1994:35). The Eighth Replenishment document goes further by recognizing that: “The essential prerequisite for overcoming marginalization and poverty is for society as a whole to support a process of political participation which leads to democratic consensus-building and stable, responsive and transparent government” (IDB 1994:7). Although not explicitly stated, the document thus prepares the way for the Bank

to apply consultation and participation principles in all relevant types of projects and stages of the project cycle.

An important first step in this process is *information sharing*. The Eighth Replenishment document makes specific references to the new information disclosure policy which was approved by the Board of Directors in November 1994, and which states that: “The IDB is directly accountable to its member governments and indirectly accountable to their parliaments and citizens; disclosure of information and transparency of operations is an important element in ensuring this accountability. Moreover, there is a growing realization that the Bank’s work can be strengthened by disclosure of information to the public, which would ensure interest and participation by affected populations and local NGOs, whose contributions may help ensure that the Bank’s projects are better designed” (IDB 1994:47). The information disclosure policy itself, EIAs and the project documents will be made available in the borrower country, at some public place, and to local NGOs (IDB 1994:35, see also IDB 1990). Public disclosure is important for accountability and can also strengthen public understanding, interest, participation in, and support for the IDB’s environmental programs by local NGOs and affected groups, “whose contributions may help ensure that the Bank’s projects are better designed” (IDB 1994:47). The policy framework and guidelines for public disclosure are connected with community consultation. Consultation presumes dialogue, and productive dialogue is based on access to relevant information.

Consultation

“To consult” has a number of meanings both in the development literature and in ordinary discourse.

Informing

“To consult” may mean to inform the other, as when a government agency tells a community why, how, and where it plans to install an electric grid to benefit the community, in the manner of city planners. Today, donor groups will expect the agency to elicit reactions from the community before installation and to amend details of the new service in response to community reaction. An enlightened agency also knows that the community can alert it to potential problems, for example with details of the local terrain, that agency technicians had not foreseen. Notice, though, that the community does not share with the agency the authority to decide how donor funds will be used, for example, to build a primary school instead of an electric grid.

Eliciting Opinion

Eliciting opinions from other people is related to, but stronger than, informing them of ongoing planning. For example, planners consult a technical expert for information lay people do not have, or for advice about how to implement the decisions made by non-experts. A group with the authority and power to make decisions about what to do solicits advice from technical experts about how best to execute decisions. When the agency mentioned above scopes the community to elicit information about potential problems, it is in a sense treating the members of the community as experts on a range of problems, as well as informing them about, and

mobilizing their support for the decisions. This does not mean making the mistake of assuming that local people, by the simple fact of being local, know more about everything in their vicinity than outside technical experts; it does mean that prudent planners will learn what community members do know and will utilize their expertise.

Involvement and Dialogue

This last element shades into a third sense of “consultation.” The hastiest review of development literature indicates that community consultation is a prelude to or a precondition for effective participation. If participation is conceived as active community involvement in, and shared control of, all phases of development programs that affect the community (Cohen and Uphoff 1977), then community consultation is a first step. Such consultation goes beyond simply informing the community of development plans, and even beyond taking community members into account as experts on local conditions and priorities. Community consultation means that the community, planners and lending agency staff enter a dialogue in which the community’s ideas and priorities help shape projects. The final design of the project reflects community responses received during consultative dialogues. This process can lead to participation in which the community shares authority and power throughout the development cycle, from policy decisions and project identification to *ex post facto* evaluation.

Consultation, when it is such a dialogue, also implies that previously ignored social sectors, such as women in peasant villages and indigenous groups will be actively involved in identifying, designing, analyzing, implementing, monitoring and evaluating the projects that will affect them. The community is no longer simply the target or object of development but an active subject in the process.

There is ample reason to consult with and involve the full range of community members in all phases of development projects. Too many projects have failed to outlive the presence of consultants (in the restricted sense) and/or external funding, in part because the consultation process was incomplete (Cernea 1993:20). The value of consulting with local people in the sense of involving them in an ongoing dialogue may be illustrated by the IDB case history from the Amazon Basin, *The PMACI Program in Brazil* (see box 1).

Consultation is also a means by which agents of change can get a more tangible return on their investment. Thus, when modern commercial timber firms first arrived in tropical northern Guatemala, their technicians dismissed local superstitions about felling and processing lumber by the phases of the moon. When too much of the wood rotted, the firms consulted with older natives, and the firms now time the felling and cutting of the trees at their direction. By consulting with local people—by involving them in a range of decisions—returns on investment were improved. Consultation is not merely a matter of soliciting sentiments and winning acquiescence for plans prepared from above, nor even something akin to open hearings. Rather, consulting with experts, once knowledge of how to identify the right ones is acquired, on a range of decisions can optimize returns on investment and broaden the scope of people’s control over their lives.

If consultation with groups affected by a development project can increase the chances for positive outcomes, failure to consult can result in costly and, at times, dangerously negative outcomes, as illustrated by the case of the *Maya Biosphere Reserve in Guatemala* (see box 2).

To sum up, community consultation is a *process* through which a donor or government agency *communicates* with and *informs* communities of its goals and actions. The agency accepts that the community has expert knowledge about the social and physical dimensions of its own situation and amends projects in terms of that

The PMACI Program in Brazil

In 1985, the IDB made a \$146 million loan to finance the last stretch of a highway into Acre, in Brazil's western Amazon Basin. Access to this undeveloped corner of the basin encouraged land speculation, conversion of forest to pasture and farmland, and invasion of indigenous lands supposedly under legal protection. The previous stretch of the road, from Matto Grosso to Porto Velho, part of the Polonoreste Project, financed by the World Bank, triggered conflicts and also the political organization of rubber tappers and Indians, and alliances of international and Brazilian NGOs. It influenced US legislation regarding US voting on multilateral development bank loans to assure stronger environmental protection in the operations financed by these banks. When the IDB agreed to finance paving of the last 500 km of the road from Porto Velho to Rio Branco, it established a complementary program to finance mitigation measures to prevent undesirable changes in land and resource use and to protect the legal rights of Indians and the livelihoods of rubber tappers. After some initial problems, which forced it to suspend disbursements on the loan, the Bank sponsored consultations with affected groups, and management of the mitigation program was made more participatory, which served to resolve issues and build a consensus among all the stakeholders involved, including federal, state and municipal agencies, NGOs, rubber tappers and Indians. Management was decentralized from the federal government to local NGOs and institutions. The end results included establishment of fifteen protected areas, four national forests, an environmental protection area and eight extractive reserves (including one named for Chico Mendes), and training and equipping of local communities and government staff. A participatory workshop held in 1994 concluded that the IDB had played a critical role in fostering communication and participation through the decentralization of authority. The workshop also drew several lessons from the experience:

- < Continuous open dialogue between project proponents and affected communities is essential.
- < Affected groups can and must help plan and manage the actions designed to mitigate the impact of road construction in undeveloped regions.
- < Consultation takes time (a cost), however, it also prevents future conflicts, which are also costly (IDB 1994b; for a contrasting case, see Wali 1989).

Box 1

knowledge. By doing so, the agency transforms the community from a recipient of aid into a *partner* in charge. That is, through the consultation process the agency increases the range of *choices* the community has over the actions that will affect it. The consultative process empowers the community to shape its own destiny. Community consultation so conceived is neither top-down nor simply bottom-up. Rather, consultation, in the strong meaning of the word, recognizes the expertise of donors, technical staff, and members of affected communities and restructures what may begin as vertical relationships into horizontal ones. Consultation is a way to increase the range and scope of people's control over decisions that affect their lives and sets the stage for community participation in the development process.

Current attempts to empower the poor sometimes overlook the power they do possess. For example, people in peasant villages and urban shantytowns normally have several types of power. But their power is usually more negative than positive; it is the power not to do rather than to do. To illustrate, in Veraguas, Panama, acculturated Guaymí villagers view government extensionists and technicians as potential patrons. Consequently they defer to whatever project the "officials" may propose, often without any real understanding of what the project will require from them or any commitment to the project. Rather they form personal commitments to particular extensionists. When the extensionist departs the scene, the project collapses. In other instances, local people appear to defer to extensionist directives but have no intention of complying with

them. As the famous Spanish expression has it—*obedezco pero no cumplo*, I will obey but will not comply (for an extended discussion of “weapons of the weak” see Scott 1985). Community consultation, then, is a way to respond to the challenge to convert negative energy into positive energy.

Community consultation introduces new realities into development planning and challenges professionals to rethink such fundamental matters as the definition of poverty and empowerment. For example, economists may define poverty as “low income or low consumption” levels (Chambers 1995:3), in the context of the sustained reduction of poverty, as the major objective of an institution such as the IDB or the World Bank. Community consultation will qualify economists’ perspective by introducing another set of *experts* on the poverty of the poor—poor people themselves.

Despite the complexities and time consumed in consulting with target populations, “if the reality of poor people is to count more, we must try to know it better,” and here “field researchers, especially social anthropologists” can help (Chambers 1995:7). A Participatory Poverty Assessment (PPA), for instance, sponsored by the World Bank in Zambia indicated that: “Health was repeatedly and consistently given a higher priority than education. Indeed, education was not raised as a priority need in most communities” (ibid. p. 8). Other results of the PPA suggested actions that would “provide high benefits in poor people’s own terms for relatively low financial costs” (ibid. p.9). Here, policy was a complementary process, “induced and drawn up from the experience” of the poor who “know what happens close to them” (ibid. p. 15). Community consultation will often challenge development professionals to reposition themselves vis-à-vis the poor and will be an iterative process. Such consultation may also prove cost effective, for “the things poor people want have low financial costs and can have high payoffs” (ibid. 15). Above all else, community consultation will change the process of making policy and enhance the (positive) power of the poor to take control of their lives and trigger the long, complicated process of sustainable development. Thus, community consultation *involves* people in making decisions about what affects their lives, and this is not only a mode of tangible empowerment, it is often, though not inevitably, a way to stretch development funds.

The Community

There is no consensus about what the word “community” means. For some, it denotes any group that shares a *common identity*, for example, a far-flung professional group, few of whose members ever see each other, or a large spatially dispersed clan or even an entire nation. Others insist that “community” always refers to a social groups defined in spatial terms. In the literature on community “three major themes consistently appear: territory, we-feeling, [a sense of] shared fate, of things in common ... [and] social organization [patterned social interaction and mutually shared rules and norms of interaction] and recognized social roles” (Keith 1982:3-4). If social organization and “we-ness” are critical minimal elements of community, territory is more problematic. As Cernea (1989:39) notes, “communities and villages are geographical residential units, not necessarily corporate organizations,” and there may be residents of the village who are not members of the community (in Keith’s sense). There will invariably be sub “we” groups in any community or settlement, and the relevant unit of “we-ness” and organization may cut across several settlements. A residential population cluster is not necessarily a community, and a community, in Keith’s terms, may lack enough internal organizational intensity for sustained common action; it may not be what Cernea calls a “ready-to-use”

The Maya Biosphere Reserve in Guatemala

In 1989-1990, the Guatemalan government, with the assistance of international NGOs and donor agencies, established the Maya Biosphere Reserve (MBR) in the northern lowland forest region of the country. For domestic political reasons, the MBR was created under great time pressure. As a result, its boundaries were not clear to the people living within and immediately outside the reserve. National park staff, who manage the MBR, initially announced its boundaries in affected communities but did not enter into consultations with them. The result was a series of conflicts, some of them violent, between villagers and park service staff; the villagers torched park guard installations. Villagers withdrew support from several NGOs that were operating in the region because they believed the NGOs were too closely associated with the park service. In 1992, *Conservation International* (CI), under an agreement (called the Mayarema Project) with USAID and the Government of Guatemala, began work on economic alternatives to forest conversion in several affected communities, including one village, a critical gateway to the MBR, where conflicts had been particularly intense. Knowing that the villagers had expelled park service staff and threatened another NGO, CI initiated its work by identifying social groups and leaders, both formal and informal, within the village, and entered into consultations with them, securing their approval before beginning to implement any economic programs. Although the consultations took time, the result was not only successful establishment of environmentally benign economic alternatives, but permission from village leaders to introduce ecology classes into the local school curriculum and the establishment of a local ecological library. Partly influenced by CI’s actions, the villagers also agreed to allow the park service to return. Perhaps the two most important lessons learned from this chapter in Mayarema’s history are:

- < failure to consult with affected groups within a community can trigger costly, time-consuming conflicts;
- < however, continuous, open communication with all affected groups within a community can mitigate conflict and create conditions for projects designed to help the environment and the community (Conservation International and ProPetén 1994).

Box 2

corporate entity able to act with a single will.

Another aspect of community is its *heterogeneity*. Even the smallest settlement or community in the most technologically simple society is internally divided not simply by age, kinship and gender but also by economic, political and social inequalities. (Access to productive goods and prestige may be open to all men—and less typically to all women—in such societies, but day-by-day control over goods and rank are invariably unequally distributed.)

In contemporary villages, urban neighborhoods and, of course, in larger sociopolitical units, the internal horizontal and vertical divisions are much more complex. Even in villages where outsiders see dead-level shared poverty, insiders will perceive and experience economic inequality, formal or informal differences in political power, access to powerful patrons and social esteem. To these socioeconomic distinctions can be added differences in “we-ness” based on gender, ethnicity, religion, length of residence and education (the difference between a peasant with a first-grade education and a sixth-grade education, for example, may give them very different ways of using health education programs). To complicate matters for outsiders, some villagers strike a pose of equality and unity when they face outsiders, such as government workers, even though when they deal with internal matters they are not unified.

Another complication is the presence of latent “we-groups” or subgroups in a settlement. Different types of development projects may and commonly do realign the social actors in any social unit. A family planning clinic may unite women of different ethnic backgrounds, and divide them sharply from men who are otherwise opposed to each other. Or, a village irrigation project may unite native-born rich and poor residents in opposition to rich and poor settlers, as in Holmberg’s famous case of the “wells that failed” in Peru (Holmberg 1952). To be sure, Kottak’s analysis of sixty-eight evaluations of completed World Bank projects makes clear that:

No matter who initiates the project, it is most likely to succeed when it is directed toward the proven expertise of the target population, when it addresses local recognized needs, and when it makes proper use of existing social groups and structures for implementation (Kottak 1991:462, our emphasis).

The point here is simply that “existing social groups and structures” may shift with the issue (or project) at hand and, as Kottak’s essay also shows, the members of a sociocultural group may not articulate this in terms that outsiders readily grasp.

Socioeconomic inequalities and the leadership that may flow from such inequalities are inherently neither good nor bad for development projects. Local leaders with more than normal wealth, power and education may be able to mobilize the energies of their co-residents better than anyone else, and even in formally egalitarian groups, someone must have (or be delegated) authority to move group action forward (Deshpande 1979:206). Or, to the contrary, old local leaders or those who emerge precisely because a new project has come on the scene may be able to capture its benefits for themselves and their clique, and/or they may be co-opted by external project staff.

These observations about community can also be made about the cultural rules of the game. So-called “folk” definitions of community are variable and will confound those who enter a society with preconceived ideas about how local people define their community, if they even think in terms parallel to our use of community. Cultural rules for the social game of life can vary in unexpected ways, as anyone who has wrestled with local

land tenure rules (as opposed to national law) soon learns. If ignorance of the cultural rules of the game will defeat a project, knowledge of them can rescue it, but learning the rules is often hard, on-the-ground work.

Given organizational and cultural diversity, are there any commonalities among communities with a similar economic and ecological base? For example, do agricultural villages (or fishing settlements or industrial towns) across a range of cultures have anything in common, beyond similar ways of making a living? To some degree they do. For example, Tandler (1976) examined nine projects for farmers in Ecuador and Honduras found that small farmer organizations worked well:

- < when they were initially organized around a simple, concrete goal that could be realized within a short time;
- < when they concentrated on a single task that could not be completed without cooperation by several people, but that did not require advanced and/or non farmer skills; and
- < when the groups were small enough (about ten people) for members to exert peer pressure.

In a review of 286 studies of small farmers Kusterer (1989) found that their highest priority is establishing and securing their household food base. Later, domestic subsistence production takes on a lower priority, as farmers put a higher priority on activities that produce an independent income for adult household members, and want to participate in economic growth (Kusterer, 1991). Kusterer concluded that the poorest farmers will not benefit from projects that introduce them to cash crops *before* their domestic food base is secure; that women make great sacrifices to ensure that they too have an independent source of cash income, and that the development of new markets for nontraditional crops is particularly likely to expand and diversify income opportunities for small farmers (ibid).

Despite some commonalities, development planners, who perforce work with aggregate data, are more likely to overlook diversity than uniformity—an important matter in the context of community consultation. Moreover, “although social experts can offer valuable generalizations and recommendations with respect to specific subsectors, world areas, and sociopolitical systems, each project needs its own social analysis to reflect its individual features and goals” (Kottak 1991). Socioeconomic heterogeneity (inequality, diversity of interests, latent as well as overt social structures within even the smallest settlements, and the complexity of local cultures) has two immediate implications for community consultation—the need to identify stakeholders and the need for sociocultural studies.

Stakeholders and Sociocultural Analysis

A necessary condition for successful community consultation is sound stakeholder analysis, in order to identify and understand the subgroups within the population to be consulted, relations of power among these subgroups, and the extent to which community organizations represent all interest groups. Adequate research on these issues will determine the mix of methods to be used for community consultation.

Stakeholders may be defined as groups or categories of people who directly and demonstrably gain or lose rights and/or resources through development operations, and this includes government agencies,

nongovernmental organizations and donor organizations. Stakeholders have a substantial and normally a material interest in the outcome of a decision or operation (see Drake 1989). To illustrate, suppose a government agency, prompted by private conservation groups, decides to initiate a community-based logging project for a microregion. Officials, lumberjacks from affected communities and sawmill operators, among others, now become stakeholders. The project also makes stakeholders of hunters who may lose access to game animals frightened away by the sound of chain saws, indigenous groups with traditional rights to the forest and colonists who follow logging roads into formerly inaccessible areas. There are others who do not have direct and substantial interests in the project, for example, clothiers or (small) innkeepers in the provincial capital, whose stakes are secondary.

Groups or individual stakeholders can be determined by a number of criteria (e.g. by class, gender, ethnicity, race, age, occupation, etc.). A good example is Stonich's analysis of the diverse stakeholders in the shrimp mariculture industry in Honduras as well as the increasingly violent confrontations among them (Stonich 1995). Determining the relevant stakeholders in a particular context is not easy or simple. It requires an informed team on the lookout for the diverse ways that groups/individuals can become stakeholders. For a wide assortment of case studies that detail how particular groups/individuals can become stakeholders (either to their advantage or disadvantage), see Johnston (1994).

In addition, identification of stakeholders must include an assessment (perhaps a ranking) by relative power (or kinds of power). This is missing in much stakeholder analysis. A political economic or political ecological analysis is very helpful in relating stakeholders to degrees of power (over natural resources and other people). Such evaluations are essential to ensure that less powerful stakeholders receive the benefits of any project or policy.

The government agency leading the project may decide to consult with the community in a series of meetings in the settlement. Or the agency's staff may use less formal methods to inform, elicit ideas and reactions from, and enter into dialogues with the community—for example, to determine whether community-based logging really is a priority for the community, or for only a small subgroup in the community, or merely an agenda established by technical experts. Given the difference in power between sawmill operators and members of the community, agency staff may also decide that initial meetings should be limited to members of the community. Over a series of meetings, agency staff can decide whether or not to proceed with the project. If the consultations indicate that the answer is “yes,” then the staff can plan to consult with the community about project design, implementation, monitoring of technical and benefit distribution impacts, mitigation strategies and project evaluation. Similar methods may be used with the hunters and indigenous groups—small, repeated meetings limited to the hunters or the indigenous groups using, for example, focus group techniques designed to encourage everyone to participate in the dialogue, rather than formal lecture methods.

On the other hand, given the power and wealth normally possessed by sawmill operators, agency staff may decide to hold more formal meetings with them. In the Mayarema project referred to earlier, sawmill operators usually consulted with their lawyers before making commitments. Another method might be used to communicate the aims and expected impacts of the project to the general public, so that the public, although not a stakeholder as such, will understand and give general support to the project. Here, agency staff might decide to mount a campaign through the radio or local newspapers. Public understanding and support can be important especially if, as in this example, private timber firms have expressed opposition to the project. However, the method used to communicate with the public is different from methods used with the community in which the project may be implemented.

In the case of Mayarema, stakeholder analysis revealed that big hotel owners (but usually not small innkeepers) are concerned about all logging operations for fear that forest conversion will harm a tourist attraction. The project makes them stakeholders, too, and influential ones, for they have important connections with poor people in potentially affected communities. More formal meetings may have to be held with them, to assuage their anxieties by explaining the difference between community-based logging and commercial logging, to forestall any attempts to generate suspicion about the government agency in potentially affected communities, and, if possible, to gain their support for the project.

To identify stakeholders, subgroups, and power relations among stakeholders, there is no alternative to sociocultural field research *prior to* initiating a project. Sociocultural analysis can (1) help verify that the concept of a project has been communicated to affected groups at project identification; (2) determine who may be affected; (3) verify that affected people have been able to voice their concerns and had them taken into account; and (4) identify appropriate channels of communication with different stakeholders. Although there are reliable and rapid participatory appraisal methodologies in the social sciences (Chambers 1994, van Willigen and Finan 1991), they are effective in good part because the users usually have access to earlier, in-depth anthropological studies of the sociocultural region under study. For example, although focus groups can reveal a community's priorities (Kumar 1987), sometimes women or adolescent males either may be excluded from or expected to defer to elders at public forums.

It should be emphasized, too, that uncovering the social structure of a society is not merely a matter of directly asking people about it. "Many of the underlying principles of social structure, which are explicit in sociological models, are buried in cultural practice and are not necessarily articulated by members of a cultural group" (Cernea 1991). For example, in certain Central American villages, people talk as if family relations, ethnicity, and ties of patronage structure local political alliances. These are important variables, but articulated assumptions about sociability are such that residence often has a stronger impact on political alignments than family or ethnic identity. The principles vary greatly from place to place. Planners can address this variability with the collaboration of professional sociologists and anthropologists.

The cost of slighting sociocultural studies can be high. An analysis of ex post evaluation findings and World Bank and USAID analyses (Kottak 1991) indicated that "the average economic rate of return for rural development projects which have incorporated sociocultural analysis was more than double that for projects which had been poorly appraised from a sociological viewpoint" (Cernea 1991). Sociocultural analyses are not easy, are always site-specific, and take time (but financial costs are relatively low or moderate). Experience shows, however, that these analyses increase "economic rates of return" for development projects. Without sociocultural analysis community consultation is apt to be mere rhetoric, and without community consultation, more narrowly technocratic, sectoral development projects are apt to be inefficient, inequitable, not cost-beneficial and short-lived.

Limits and Risks of Community Consultation

Granted that community consultation promotes efficient, equitable and empowering projects, there are questions about the parameters, costs and risks involved.

The type of project will determine what kind of community consultation is useful and necessary. For example, projects such as telecommunications, research, and administrative reform, may not require community consultation. Conversely, social investment funds or primary education projects targeted for poor populations may require strong consultation to foster participation in implementation and benefits, but less consultation at the design level. For a range of highly technical matters, for example, an anti-tuberculosis health project targeted to the poor, project managers would not ask physicians to consult with the target population about, for example, what anti-tuberculosis drugs to use, but they might want them to consult with the target population about planning, implementation, monitoring and evaluation of the anti-tuberculosis program, and coordinate their work with local folk-healers (see, for example, Davidson 1987 on a health program in Peru). In other cases, typically environmental mitigation measures or involuntary resettlement components, consultation is required by current IDB procedures and may result in formally constituted mechanisms to facilitate participation in decision-making and/or monitoring and evaluation.

Some of the risks of community consultation are associated with almost any development project. If policymakers do not make an institutional commitment to consultation, and do not constantly monitor the process, it can become an alibi for tapping donor resources. Merely going through the motions of consulting with affected groups can *raise expectations* about local involvement in the development process, and when people realize it is a show, they will become bitter and may well be unwilling to “participate” in future projects. Also, since community consultation during project design may occur before funding, expectations can be generated about a project that may never be realized.

Similarly, even if a government agency commits to consultation, and its inexperienced extension-ists plunge headlong into villages to ask what people want, they may find villagers responding with demands the agency is unable to deliver.

Other risks flow from the fact that a project normally introduces new material and human resources into a region. When the consultation process has not been handled properly, the new resources may be *captured by elites*, particularly if there is more top-down intervention than genuine consultation. Or, the introduction of new channels of access to resources may lead to the formation of a new local elite without providing equitable benefits for the poor majority. This can happen when clever new local leaders create pseudo-cooperatives for their own benefit and, in the absence of close monitoring, give donor agencies the false impression that they are supporting local grassroots organizations (for an example of this in Belize, see Moberg 1992). Introducing new resources into a community can also generate or aggravate conflicts among affected groups, which even in the smallest settlements will have different interests and whose communal unity may be fragile.

Another risk is related to *inter-agency conflict*. Under the Mayarema Project, there are a number of NGOs working with the Guatemalan National Park Service to conserve the tropical forests of Petén, Guatemala. The NGOs funded in part by international donor agencies have made commitments to the consultative process, although in some instances conceptions of consultation are limited or distorted. Although some NGOs have a genuine commitment to local-level consultation, they also strive to demonstrate to their respective private and public donors that they are consulting with appropriate groups in Petén and, in fact, doing a better job than other NGOs. Rather than inter-NGO coordination there tends to be competition for pride of place. Energy and resources tend to be diverted away from the on-the-ground process of consultation to political in-fighting, shows of consultation and artfully constructed paper trails. Some of the local elite, townfolk and peasants know a show when they see one, and others do not. For the latter, pseudo-consultation has raised expectations that are almost surely going to be frustrated.

Finally, *up-front financial, time and opportunity costs* entailed in identifying stakeholders, assuring that spokespersons actually represent the group, as well as “engaging” donors, change agents and stakeholders entail a great investment of energy (World Bank 1994).

The various types of: elite capture, creation of unrealistic expectations and aggravation of local conflict and inter-agency rivalry and posturing, and the way they marginalize the poor are matters social scientists have been describing for some time now, and there are ways to cope with them. Several preconditions can minimize these risks.

Preconditions for Successful Community Consultation

Although NGOs and grassroots organizations have led the way in the use of participatory methods, their social and spatial coverage is usually quite limited. The potential coverage of government agencies is much greater, and most development resources are transferred from international donors to governments. Even in centralized authoritarian regimes, there is a growing willingness to use consultation and participatory approaches. Community consultation and participation, in place of popular confrontation with the state and its agencies, is better suited to the times (Midgley 1986; Thompson 1995; for a contrary view, see Robertson 1984). The discussion deals mostly with public agencies and local settlements, though the remarks are also generally applicable to NGOs.

The first precondition for successful community consultation is a *favorable policy environment*. That organizations such as the IDB, the World Bank and the OECD are promoting participatory approaches to development, and that public agencies are increasingly short of resources, help create that environment. Although senior Bank staff need not be trained in the techniques of community consultation, roundtable meetings can be used to discuss with them the costs and benefits of this approach. Included among the costs will be a need to reorganize line offices and accounting systems.

The cost-effectiveness of community consultation may be demonstrated through case studies. Although middle-level staff implement new methods, committed senior staff provide the social and material support to carry lower echelons through the ups and downs of consultative approaches. Senior staff must also demonstrate that line staff will be supported even if their first efforts are not successful. Site-specific projects, especially those designed to build human resource capacity, may require types of evaluation that are new for many agencies. Community consultation is complex and difficult, and it takes time to institutionalize it.

A second precondition is the willingness of donor agencies to make *longer, more flexible commitments of support* to the recipients of their aid—from borrower countries to local community groups. The borrower’s commitment should be clearly communicated at the beginning of the intervention, though this will require changes in standard lending procedures. Concomitant with this is a strategy for ongoing monitoring and evaluation.

GTZ, the German Agency for Technical Cooperation, apparently has taken this approach in its community-based Forestry Pilot Plan in Quintana Roo, Mexico (Galletti 1994). Long-term commitments may reduce middle-level managers' anxieties about experiments that do not work, and reduce the "grab-it-while-you-can" mentality of government agencies, local stakeholder groups and others.

A third precondition is accepting that community consultation is an *iterative process*, not only for the affected community but also for others, such as government agency staff and NGOs.

A fourth precondition is *clarity about the roles* each party will play in the consultative process, beginning with agency staff. For example, the question of who (stakeholder representatives, government staff or NGOs) verifies that the concept of a project has been communicated to affected groups needs to be settled before a project is implemented. Clarity about roles and responsibilities is important because the consultative process implies building multidisciplinary field and office teams and commitment to clear identification of stakeholders.

Role-playing exercises can help each agency (and, later on, each community) player understand the perspective of the other players. But role-playing exercises and socio-drama techniques will not work unless roles are clear in the first place. Clarity is not the same as rigidity. As people gain experience with the process, they can loosen the boundaries of their respective roles. But they must know what is expected of them and what the range of their authority is at the outset. It is easier to loosen up than to tighten the lines in mid-stream.

Similarly, once the agency begins its work in local settlements, the members of local groups must also be clear about their roles, rights, responsibilities, and the rules of the process in the beginning. With experience, they too can and will negotiate role changes.

A fifth precondition is *information sharing* and consultation with the larger society on policies, strategies and country programs, for example, through meetings with environmental NGOs and seminars with large representations from civil society. The IDB's recently approved information disclosure policy which makes provisions for giving the public access to electronic media and reading rooms at headquarters and in country offices is an important step in facilitating this public access to information. Appropriate mechanisms for announcing such meetings, and access to reading material, vary but the IDB's information bulletins, including home page messages on the Internet, as well as mass communications and popular print media, can convey the required message.

There are, of course, additional preconditions for community consultation (see World Bank 1994), and different types of projects have varying constraints, but a favorable policy environment, long-term flexible donor funding, iterative learning processes and initial clarity about roles and responsibilities seem to be preconditions for most consultative approaches.

Benefits of Community Consultation

Several of the benefits accruing from community consultation are drawn together here. (For a bibliography, see World Bank 1994:5.)

Stakeholder Commitment

Consultation may increase stakeholder commitment to a project. Without commitment, training may prove short-lived; with it, all the stumbling and complexity associated with new efforts can be overcome. Stakeholder commitment, which grows with stakeholder “ownership” of projects.

Improved Targeting

Consultation can provide superior and more detailed information. In poverty reduction projects consultation can improve identification of the poorest and least visible sectors.

More Reliable Data

In the process of consultation, stakeholders may provide one another and public officials with more valid and reliable information, increasing accountability. Improved understanding of local values, priorities and expectations can result in project designs and delivery mechanisms that are more compatible with sociocultural conditions.

Improved Negotiating Skills

Research indicates that as the range and weight of community consultation grows, the capacity of the poor, of women, of youths and of other overlooked groups to obtain project benefits increases. Social equity, in turn, increases participant commitment to the development process. Consultation also provides stakeholders with experience they can apply to subsequent projects. Particularly where there is limited civic consciousness and a long history of dependence on local political bosses, experience with consultative mechanisms can trigger the long process that leads to participant empowerment in arenas outside the immediate project.

Cost Reduction

Consultation can generate a greater willingness for stakeholders to invest their time, labor and other resources in a project they “own,” thereby stretching the value of invested funds (Murray 1987). Sociological and anthropological research on topics as disparate as ritual initiations and the design of public housing indicate that the more people invest in a process, the greater their commitment to its values and purposes.

Initial up-front and transaction costs of community consultation are heavy, but they do pay off. As a World Bank study concludes that “although lasting benefits from participation take longer to emerge, and are more difficult to quantify, over time they can be expected to offset incremental costs” (World Bank 1994:34).

The Project Cycle

The type and intensity of consultation, and the participants in the process, vary during the Bank's project cycle.

Policy and Strategy Definition

During the preparation of policies and strategies, the Bank frequently sponsors conferences, seminars and workshops to discuss new ideas and approaches to development and its role in this process. Often these meetings provide an opportunity to review past experiences, including lessons learned, and are increasingly open to direct participation by NGOs, beneficiaries and other stakeholders who have not traditionally participated in the broad policy debate. To the extent that Bank sponsored training events are increasingly more interactive and participatory, feedback from these courses may also help shape the policy debate at the Bank.

Country Programming and Project Identification

Preparation of a Country Paper (CP) defines the Bank's operational strategy for a country and identifies priority areas for financing. At this stage, depending on the degree to which development priorities and the Bank's program are part of the democratic decision making process, public there may be a need to inform the borrower country's public of the Bank's general strategy by making portions of relevant documents available in public reading rooms in headquarters and keeping representatives of the media informed through scheduled seminars. In this way the ground can be prepared for public understanding and support for subsequent Bank decisions and operations.

Identification and Orientation

Depending on the project, this may involve a rapid social assessment (RSA) by borrower staff. Normally, RSAs do not involve extensive consultation with potentially affected groups, but rely on information provided by experts and key informants. However, insofar as people in the study region are aware that an RSA is being carried out, the RSA team may wish to inform them of its presence and explain its mission to avoid creating unrealistic expectations.

In particular, some type of consultative meeting with local NGOs may be useful, in order to help assess the project alternatives. There is a danger that this itself may generate undesirable political activity to capture perceived future benefits. There may be no guidelines about consultation at this stage, and each situation would have to be judged in terms of the social and political particularities of the target region and the type of project envisioned. For example, a telecommunications project would normally not call for community consultations, whereas an agricultural development project might, even at the identification stage.

Preparation, Analysis and Negotiation

This stage includes the preparation of project feasibility studies and the presentation of a detailed project report. Since community consultation is part of the project preparation process, the responsibility for carrying out community consultation rests with the borrower, but in many cases, the Bank's project team actively participates in organizing the consultative process.

Assuming approval is forthcoming, the executing agency and/or the project team may begin a round of seminars or workshops with relevant NGOs, representatives of the media and representatives of formal organizations in the target region to inform and elicit (sometimes called *scoping*) their ideas about project design. This process can help identify informally organized groups, groups that will come to the fore by the activities of the project and so on. The details of project design may also be affected by what the project team learns during this process. At this stage, too, the project team may begin to identify all groups potentially affected by the project, that is those groups that become stakeholders by virtue of the project.

Environmental Brief and Environmental Impact Assessment (EIA)

EIAs are mandated for projects with significant environmental impacts, and are prepared as part of the project preparation process. Insofar as a project calls for an EIA, the Bank's environmental quality control procedures (IDB 1995b), require community consultation in the process of preparing the terms of reference for the environmental impact studies (which also cover sociocultural issues such as involuntary resettlement or impacts on indigenous people) and requires that the local populations be informed of the results of the EIA, and that their opinion be solicited about proposed recommendations (IDB 1990a). Within the Bank's guidelines for information disclosure, the Environmental Briefs and EIAs should be made available to the public not only in headquarters but also in country offices.

Project Execution

Once the project is approved, community consultation and participation mechanisms designed during the preparation phase, should become fully operational. In many projects community consultation throughout the execution stage will facilitate community participation not only in project activities and sharing of benefits, but also in decision-making.

It is during the stage of project implementation that community consultation with affected groups and other stakeholders becomes more intense. During project execution, stakeholders will continually assess the opportunity costs of their participation, hence the importance of consultation. For the consultative process to work, clearly understood channels of communication between project managers and field staff, between stakeholders and field staff, and, perhaps most critical of all, between stakeholders and project managers, must be kept open at all times.

The project team and the stakeholders in joint meetings may design an independent channel of communication between stakeholders and project managers. Planners tend to make optimal assumptions, but apparently whatever can go wrong will. Hence, stakeholders must be trained to maintain their own records and to be able to suggest through on-going consultation with the project teams on-the-spot modifications to the details of project design and implementation. During consultations with the project teams and in reports to project managers, stakeholders may also report on such things as timely delivery of services, regularity of visits by

government workers and the like. To the degree that the project teams and others respond positively to stakeholders' ideas and concerns, this will in a reciprocal fashion strengthen their trust in promises that they will have control over their own destinies.

Monitoring and Evaluation

Institutionalizing community consultation in the monitoring and evaluation stage of a project is difficult because at least two realities are at work—that of development specialists and that of stakeholders. For specialists, their own professional standards and project managers frame reality, which leads them to favor quantitative indicators. For example, in a cooperatively managed fish pond, livestock and garden project designed for poor rural Panamanians, the evaluators measured the number of beneficiary families, whether the pond modules produced what, by the standards of biological science, they were expected to produce, as well as the opportunity costs of the project (García de Castillo et al. 1986). Other evaluators could have used more qualitative indicators and even have included stakeholders in the evaluation (Kumar 1987; Uphoff 1992).

However, in using community consulting methods and even more so in participatory evaluations (Chambers 1994; Salmen 1987), stakeholders may be co-opted by professionals (Uphoff 1992) and, professionals may be co-opted, if not duped, by stakeholders.

The other reality is the stakeholders', which may differ greatly from the first reality. For example, professionals may conclude that a fish pond has not achieved acceptable production standards, but pond group members may consider the project a success because the cooperative labor gave them occasions for social get-togethers. Their goals were social, not economic. Insofar as the project intensifies social bonds among them, and thereby paves the way for them to cooperate on other more productive joint efforts or gives them training in democratic decision-making, their measure of project success may be the appropriate one for their reality (cf. Cernea 1993).

The value of using community consulting methods for monitoring and evaluation (and for project execution) is that affected groups will commit themselves to an operation if they have invested time and energy in executing, monitoring and evaluating it, and if final evaluations are, in part, based on data they themselves have generated (Drake 1989; Zander 1962). The problem is that stakeholder evaluation is site-specific, and project managers need commensurate measures to cover a range of localities.

A partial solution may be to convene regional meetings where stakeholder groups present their findings (Uphoff 1992). This may result in greater commensuration and has the added advantage of beginning the process of linking local groups to one another. Local groups may not, one at a time, be able to establish parity with a state agency, but regional associations can do so (Schwartz and Eckhardt 1985). Regional associations may have political implications that challenge elites, and at this point the relations the project team has made with NGOs and the public through information disclosure at earlier stages of the project may support the consultation process.

In fact, there are more than two realities. At a minimum, men's and women's are apt to differ. Integrating various realities will always be a challenge for teams and agencies. Yet, as stakeholders, in all their diversity, and professional evaluators learn from each other, the synergy will have positive feedbacks and help set the stage for participatory approaches to project development in the future.

Methods and Techniques for Community Consultation

Given the diversity of cultures, the social complexity of even the smallest community and project differences, no one technique will work everywhere. A sampling of methods may suggest ideas for further discussion. In general, a group's initial experiences with any technique must be successful, and instructions must be simple.

Seminars and Workshops

For the public, NGOs and even community based organizations project teams can conduct seminars and workshops at which timely information concerning Bank policies, project goals and so on are presented as a way to build mutual understanding and consensus. The use of audiovisual materials in addition to lectures and group discussions may be helpful in capturing attention and enhancing the audience's empathy and understanding of the issues being discussed. When conducting workshops for local stakeholders, there are many techniques which involve a process of structured analysis to assist participants in relating their assessment of their needs to the program being proposed, as well as to the broader reality. Care should be taken to avoid creating unrealistic expectations and to provide opportunities for follow-up.

Focus Groups

This technique, used in marketing research, health awareness projects and family planning programs, is helpful both for eliciting data and for consulting with people about project planning and identification. A good facilitator knows how to maintain a supportive ambience, to keep the group focused on the topic at hand and to make sure everyone joins in (to prevent a strong personality from dominating the discussion). Someone other than the facilitator must keep a good record of what was said for future reference. Focus groups can elicit a group's values, concerns, explanations about plans and ideas about problem resolution. The openness allows people to say things they might be reluctant to discuss on a survey (Krueger 1994; Kumar 1987). Focus groups, which have affinities with buzz sessions and brainstorming, can also strengthen group cohesion.

Model-Building

This form of experimental learning can allow stakeholders to be consulted about, for example, the design of a housing project. Since most people have difficulty putting into words what type of housing they would prefer (unstated cultural assumptions about space are difficult for any group to articulate), the project team may wish to supply affected groups with model home-construction kits, including scale size furniture, and in effect consult affected groups about housing design.

Role Playing

This, or a variant called sociodrama, can be used to build capacity to engage in consultations about project execution and evaluation. Role-playing is a structured event in which stakeholders can act out problems in their own lives, to illustrate and reflect on social relations, how to solve problems, understand the other actor's perspective and exercise the skills needed for active involvement in a project. The exercise can also evoke creative solutions to unforeseen problems (Sternberg 1989). Using props or model construction kits in association with role playing can prefigure and rehearse activities that will be enacted later, and make explicit the future allocation of benefits and responsibilities.

Pile-Sorting

Project teams or facilitators can consult with affected groups by presenting them with pictures of each project activity, its costs and benefits, and who has responsibility for what, with the request that they sort them into labeled piles, assigning each card to this agency or that stakeholder. The match between what was planned and what people perceived is happening can be a basis for identifying problems and establishing indicators. In this way, project teams can consult with affected groups and other stakeholders, monitor a project and implement the necessary modifications (Narayan 1993).

These and other techniques and methods can enhance community consultation and inform the broader public of the Bank's goals and role in promoting equitable, ecologically sound development projects (for additional sources on methods from implementing community consultation, see Freudenthal and Narowe 1990; Narayan and Srinivasan 1994; Ruano 1989; Salmen 1987).

Suggestions for Further Action

The Eighth Replenishment prepares the ground for the promotion of community consultation, which is a precondition for expanding the role of community participation in development projects.

Systematic Consultation in Bank Operations

The Bank should make a consistent effort to promote consultation with civil society organizations during all stages of the project cycle, from development of country and sector strategies, through project identification, preparation, execution and monitoring, to the final ex-post evaluation of projects. The Bank, through the Country Offices, should give increasing importance to its role in facilitating the dialogue between civil society groups and government, on issues of social, economic and institutional development. In most countries, the Bank has already established a working relationship with NGOs on environmental issues and through the Small Projects program. These relationships could be strengthened and broadened to include all sectors of Bank activity, particularly social sector issues and operations. More emphasis should also be placed on building relationships not only with NGOs but especially with those national, regional and community based organizations that directly represent the poor and disenfranchised sectors of society, who are increasingly becoming the focus of Bank operations (more than 50% of IDB loans are now directed at the social sector).

Consultation and Information Disclosure

Broadening public access to Bank documents is important to increase public understanding of Bank policies and operations as a prerequisite for meaningful consultation. Public disclosure of key documents is already a mandatory part of Bank policy, but the information is presently provided as formal documents, available in Country Offices (i.e. in capital cities) and headquarters. Once the reading rooms are in place in all Bank locations, it would be useful to develop mechanisms for feedback from the public, to assess public comprehension of the information and to upgrade the methods for presenting the information. In order to get closer to the potential beneficiaries, the Bank could adopt a more proactive approach, using the media to disseminate information about the project concepts that have been identified, and inviting representative organizations, including civil society, local government and line agency staff to help define the issues, the priorities and the measures needed to address them.

Project Preparation

The Bank should encourage and assist borrower governments to engage relevant civil society organizations in the identification and preparation of projects. Technical cooperation and/or project preparation facilities should be used to ensure that sufficient time is allowed for consultation during the preparation of projects. Community consultation may require longer, more flexible time-frames and funding periods for project preparation and implementation. Project design should also provide for monitoring and mid-term evaluations which involve community consultation as an opportunity to make appropriate changes or adjustments in the original project design.

Project Execution

The Bank should promote a more process-oriented approach, especially for social sector projects. This would imply greater flexibility in the definition of project activities, and even of specific project objectives during project execution. The project would emphasize the identification, analysis and resolution of the problems identified during an on-going process of consultation between government agencies (the borrowers) and the intended beneficiaries, rather than the implementation of predetermined project components and subcomponents. This may eventually reduce the cost of project preparation, but would require careful consultation and monitoring during project execution. In order to function efficiently, process-oriented projects would require more accountability on the part of the public sector agencies; this would involve the Bank in an on-going process of consultation with the borrower agencies, and with the intended beneficiaries, in order to encourage the development of a more responsive institutional framework.

Evaluation and Feedback

It is important to ensure that the experiences of the intended beneficiaries are not only recorded during project monitoring and evaluation, but that they are effectively used to enrich the identification and preparation of new projects. In addition to quantitative measures and indicators, the feedback from community consultation and the experiences of affected groups may also generate a need to consider use of more qualitative measures, such as the narratives of people affected by projects (Burkey 1993), in order to better understand whether projects meet aspirations and needs as perceived by the intended beneficiaries. A more qualitative assessment would also help ensure that the voices of women, youth and ethnic minorities were heard. Here, the methods of

sociocultural anthropology will be especially helpful to uncover the criteria stakeholders themselves use to evaluate their experiences (Chambers 1995). After all, the stakeholders' criteria for success are critical for sustaining a project beyond its external funding period (Salmen 1995).

Identification of Stakeholders

In order to identify stakeholders who would play a critical role in facilitating efficient project implementation, achieving project success and ensuring the sustainability of the development effort, the Bank needs to expand and institutionalize its analysis of stakeholders. Project teams need to more systematically include technical expertise from the social sciences (sociology, anthropology) in project design, in order to assure that project activities and implementation mechanisms, including community consultation, are consistent with the development objectives and are socioculturally appropriate. This is particularly important for projects that affect population groups that are extremely poor and marginalized.

Participation of NGOs

The number of local NGOs is growing rapidly in Latin America, even as the resources available to them are dropping (Vetter 1995). NGOs have played a vital role in many projects, but they may be led by charismatic figures who inhibit community consultation and weaken NGO accountability. The Bank should be proactive in identifying those NGOs that are committed to, and capable of carrying out community consultation processes.

Advisory Boards

To improve project preparation, data collection, monitoring and evaluation, and to lessen the chances of domination by local elites, advisory panels could be established comprising of representatives of community organizations in affected communities. The panels would have direct, two-way and on-going communication with executing agencies. This type of arrangement may also build local institutional capacity. It may also become good practice to establish advisory boards on policy and strategy-related matters.

Community Consultation Guidelines and Training

Institutionalizing community consultation practices will require a change in the institutional culture and the range of technical skills available in the Bank, at headquarters but especially also at the level of the Country Offices. Guidelines that describe community consultation and participation methods and techniques should be prepared to train Bank staff and project executing teams in borrower countries. They should also address the opportunities, risks and costs of community consultation, and address the issue of when and where and for which types of projects community consultation is appropriate. Such guidelines could also contain brief, readable case histories, based on Bank projects.

The above suggestions are only indicative and require further refinement, and many other actions will be needed to fulfill the community consultation mandate inherent in the Eighth Replenishment. Community consultation and participation is often difficult, time consuming and complex. What makes it worthwhile is the knowledge that community consultation can enhance project performance and is a precondition for successful community

participation in development, with all that implies for empowerment of the poor, for strengthening civil society, and ultimately for a more successful outcome of the development effort.

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