

FROM CONFRONTATION TO COLLABORATION:  
Civil Society–Government–World Bank  
Relations in Brazil<sup>i</sup>

**Background on Civil Society**

The term *civil society* has emerged in Latin America in the last two decades. Its meaning varies greatly depending on who is utilizing it: a government official, a World Bank (WB) task manager, or an NGO technician. In Brazil, the term *civil society* has a political connotation and refers to the vast non-governmental sector composed of community organizations, social movements, non-governmental organizations (NGOs), charitable organizations, professional associations, churches, and corporate foundations. Many of these organizations sprung up as a result of Brazil's redemocratization movement in the 1970's, as exemplified by the visible and activist Movimento Nacional de Trabalhadores Rurais Sem Terra (MST). Some segments within civil society are even more recent, such as the corporate foundations which recently established its first national association, the Grupo de Institutos, Fundações, e Empresas (GIFE). As with the undefined sector it represents, there are no firm estimates on how many CSOs exist in Brazil, although most recent figures point to over 300,000. The term Civil Society Organizations (CSOs) will be used throughout the paper to refer to all the different sorts of organizations described above.

The various laws and government agencies that oversee the sector were established over 50 years ago and are clearly not adequate for the evolving and dynamic nature of the civil society sector. The definition in the *Código Civil Brasileiro* or Brazilian civil code is overly generic, and jurisdiction for registering and monitoring nonprofit organizations falls between two ministries, Justice and Social Security. On the other hand, several new laws promulgated in recent years by the Brazilian Congress geared to recognizing and encouraging

volunteering and establishment of CSOs, has improved the enabling environment for civil society, although there are still few financial or tax incentives for charitable giving. There is growing research by leading social scientists that demonstrates the economic strength, political leverage, and social value of civil society as an essential element in a country's development.

NGOs are one of the most visible sectors within civil society. They have certainly been the most visible and active civil society interlocutor for the World Bank in recent decades. Although there are no exact figures, recent studies have placed the number of NGOs in Brazil at over 3,000. Brazil has witnessed an impressive growth of NGOs in the past 20 years, as the great majority were established with the onset of the political opening in 1979. NGOs have their origin in three institutions—church, academia, and political parties—and most were created by strong, single-minded leaders. Over the past decade, NGOs have undergone profound changes in their conceptual paradigms and organizational structures, becoming more self-affirming, specialized, and results-oriented. The great majority of Brazilian NGOs were established with donations by non-governmental international donor agencies and, as a result, most are still heavily dependent on foreign funding. The adoption of the Real Plan in 1995 and the decrease in foreign assistance contributions, especially from Europe, hit the NGOs hard, many reporting a 30 percent budgetary reduction over the ensuing years. Paradoxically, many NGOs are threatened with severe cutbacks, if not closure, at the same time that new sources of government, multilateral, and private sector funds are becoming available to them.

One of the principal characteristics of NGOs is their ability to network around common issues. Many large cities and states in Brazil have established NGO coalitions, and there are a number of well-known national NGO networks, such as the National Association of NGOs (ABONG). Brazilian NGOs have also expanded their networking efforts overseas, having

actively participated in the many United Nations summits during the 1990's. A seminal event in this regard was the 1992 United Nations Conference on the Environment and Development (UNCED) in Rio de Janeiro, during which Brazilian NGOs hosted the Global Summit, a non-governmental conference that attracted over 25,000 participants. NGOs have also established a network, Rede Brasil, to monitor the investments of the multilateral institutions in Brazil, namely the World Bank and the Inter-American Development Bank (IDB). More recently, Brazilian NGOs have begun to be involved in civic campaigns at the national level. NGOs played an important organizational role in the successful campaign to impeach President Collor on corruption charges in 1992. This impetus led NGOs to organize a national anti-poverty campaign in 1993 that mobilized an estimated 2.8 million volunteers to form local citizens anti-hunger committees throughout Brazil.

In order to ascertain the view CSOs have of the World Bank, a series of consultation meetings were hosted by the Bank and held in 1996 in Brasília and six state capitals in all five geographic regions of the country. Over 85 representatives of social movements, NGOs, and donor agencies that work in a variety of fields ranging from education and environment to indigenous issues participated in the focus group-style meetings. Among the many and varied opinions expressed about the Bank, several drew broad agreement:

- i) The overall image of the Bank is negative and generally associated with large infrastructure projects that do not seem to benefit local populations and often have unforeseen social and environmental impacts.
- ii) The Bank is perceived as being slow and overly bureaucratic.
- iii) The Bank is generally seen as inaccessible, only interacts with government bureaucrats, and is out of touch with grassroots reality.
- iv) The Bank has more recently adopted positive environmental protection and social development policies.

On the other hand, most representatives of CSOs present at these meetings admitted that they had limited overall knowledge of the Bank and that much of their perception was based on press coverage of specific Bank-financed projects. Most stated that these meetings

constituted their first contact with the World Bank and welcomed the opportunity to learn more and enter into a dialogue with the Bank.

These consultation meetings also highlighted the fact that CSOs and the Bank often have exaggerated misperceptions of each other, generally not based on firsthand knowledge. Recent experience in several Bank-financed projects has demonstrated that when substantive dialogue takes place among CSOs, the government, and the Bank, many long-standing conceptual disagreements give way to consensus around specific issues. The lesson seems to be that CSO, government, and Bank staff have a better chance of constructive engagement when focused on a specific program or project than when they remain deadlocked on larger policy questions. This was clearly the case in the Planaflores experience, where long-standing disagreement among CSOs, the state government, and the Bank on larger conceptual issues gave way to collaboration and specific agreements once discussions were centered on how to reformulate the project itself (**Box 1**).

### **Box 1    Planaflo: From Impasse to Collaboration**

Planaflo is an emblematic example of an overly complex and troubled project that was completely restructured and decentralized in a participatory fashion. Planaflo is a Bank-funded natural resource management project in the Western Amazonian state of Rondônia which started up in 1993 at a total cost of \$229 million (\$167 million was the Bank's share). In hindsight, it became apparent that the project design contained several flaws: too many sub-components (rain forest conservation, social development, road construction, indigenous health, and agroforestry activities); a complex structure (involvement of 10 state and federal government agencies); overambitious and poorly defined sustainable development goals; and limited local ownership by either the state government or the society at large.

At the end of the fourth year of the project, few of the project goals had been met, stakeholder participation mechanisms were not working, and only 50 percent of the funds had been spent. The local NGO and Social Movement Forum, with approximately 35 organizational members (agricultural workers' federations, indigenous and rubber tapper associations, environmental NGOs, and urban educational groups), which had been established with the support of international NGOs (World Wildlife Fund/Sweden and OXFAM/UK) to monitor Planaflo, mounted an international campaign to suspend disbursement of project funds, and sent a request for inspection to the Bank's Inspection Panel.

The World Bank staff took several steps to address the issue. **First**, it decentralized project supervision responsibility to the field office. **Second**, it decided to carry out a comprehensive and independent midterm review. **Third**, realizing that the project lacked local ownership and support, it insisted that the principal stakeholders take full responsibility for its restructuring. A midterm evaluation was carried out by a multidisciplinary team of independent Brazilian consultants, and a stakeholder consultation workshop was held in Porto Velho to discuss the possible reformulation of the project. The major stakeholders present included the state and federal governments, the NGO Forum, international NGOs, UNDP, and the World Bank.

A formal agreement was reached between the state government and the CSOs that led to the complete restructuring of Planaflo. Project components were reduced, the number of government executing agencies was cut back, and bureaucratic procedures were streamlined. A \$22 million demand-driven community projects fund (PAIC) was created and is today being comanaged with CSOs.<sup>ii</sup> Equally important, long-standing mutual animosity and tension gave way to effective engagement. Once a policy of more open and frank dialogue began to be pursued, noticeably improved relations among CSOs, the state government and the Bank were established. As Oxfam/UK's Patricia Feeney stated: "NGOs now have a stronger formal role inside the project: helping to develop and administer small-scale community projects. Funds have also been allocated to enable the NGO Forum to monitor implementation of the overall project" (Feeney 1998, p. 6).

### **Improved Relations and Operational Collaboration**

It is becoming clear that CSOs and the Bank have a lot more in common than generally thought. They are not only both global actors – many CSOs (particularly NGOs) espouse global principles such as human rights, environmental protection, and gender equity but receive most of their funding from international sources - that practice the same development

trade and largely target the same beneficiary lower-income population, but are both being pressured to demonstrate more results and effectiveness in their work. A convergence is actually under way, in which the Bank is reaching down to the grassroots sector through its stakeholder participation policies and its small-grants funds, and CSOs are striving to reach the macro level by scaling-up of services and increased collaboration with governments. This was also true with the AIDS project, in which traditional animosity between AIDS/NGOs and the Ministry of Health has been greatly overcome through the adoption, by the former, of a more effective stakeholder participatory strategy in project implementation.

The World Bank in Brazil has undertaken a series of steps over the past 5 years to reach out to the civil society sector and encourage greater government – civil society collaboration in the nearly large 70 projects it funds. These steps have included: improving its information disclosure efforts; organizing dialogue & consultation meetings on WB policies and programs; undertaking research about civil society; establishing participatory mechanisms such as citizen-government project management committees; hiring civil society consultants to help design, monitor, and evaluate its programs; and providing funding to civil society through government-operated small grant's funds.

#### INFORMATION DISCLOSURE

Brazil country management unit (CMU) has undertaken two important initiatives to improve its public information disclosure and dissemination policies. **First**, the Bank opened a Public Information Center (PIC) in partnership with UNICEF and the Fundação Getúlio Vargas (FGV). The PIC was inaugurated in August 1997 and is now located at the Bank Office in Brasilia. The PIC has reference materials, a small stock of free Bank publications such as reports and studies, and several computer terminals available to users wishing to access the Bank's home page on the Internet. Since information exchange is a two-way street, the Bank

has also taken steps to better inform Bank staff on the positions and perspectives of Brazilian CSOs. Thus the **second** information-related initiative undertaken was the establishment within the Bank's Brasília office, of a civil society reference center. There are brochures and literature of dozens of Brazilian CSOs, as well as directories and studies on the civil society sector.

In addition to providing CSOs with general Bank materials and basic project-specific documents such as the project information document (PID) and project analysis document (PAD), the Brazil office has been able to enhance its information disclosure policies even further in some cases. In projects such as Planaflo, AIDS/DST, and the Pilot Program, "aide memoirs" and official Bank-government correspondence are being provided to CSOs on a regular basis, and generally in Portuguese, as an explicit and successful strategy to promote more transparency and improve relations. Experience has demonstrated that there is generally little to be lost technically (quality of program implementation) and much to gain institutionally (promoting ownership and improved relations) in such an approach.

## DIALOGUE & CONSULTATION

Unprecedented Bank-civil society dialogue and consultation has also occurred in Brazil throughout this period through policy and project related meetings. The **first** was a tripartite seminar called "Novas Parcerias em Políticas de Combate à Pobreza," which took place in Belo Horizonte in March 1997. The seminar was sponsored by the World Bank, and supported financially by the Banco Nacional de Desenvolvimento Econômico e Social (BNDES) and the Minas Gerais state government. The principal objectives of the seminar were twofold: share information about government-civil society-Bank collaboration in poverty alleviation activities, and promote tripartite dialogue geared to building future partnerships. Approximately 60 participants from Brazil, Argentina, Paraguay, and Chile

attended the seminar, including top federal and state government officials, representatives of leading CSO networks, and Bank staff from Washington. The seminar addressed broader issues such as government–civil society relations, new civil society actors addressing poverty alleviation, as well as case study presentation of specific government and civil society poverty alleviation programs.

A **second** important instance of Bank–CSO dialogue has been a series of regular meetings between senior WB management – President James Wolfensohn, Vice-Presidents, Country Director, and others – and representatives from leading NGOs, church organizations, trade unions, social movements, and corporate foundations. These informal meetings have allowed WB management to become more familiar with CSO issues and leaders, as well as allowing CSOs to discuss such Bank policies as macro economic adjustment lending, environmental protection, involuntary resettlement, and agrarian reform. A **third** initiative involved dialogue around sector policies, in this case water and sanitation. The Ministry of Planning’s international relations office (SEAIN) convened a tripartite meeting in April 1998 which brought together representatives of three government agencies (Secretaria de Políticas Urbanas/SEPURB, Caixa Econômica Federal/CEF, and Banco Nacional de Desenvolvimento Econômico e Social/BNDES), the World Bank, the IDB, and the civil society (Rede Brasil, FASE, Associação Nacional de Reforma Urbana (ANSUR), Federação Nacional dos Urbanitários (FNU), and the Frente Nacional de Saneamento Ambiental no Brasil. The meeting consisted of presentations by the government, multilateral bank, and CSO representatives, and a general discussion on the major challenges facing the sanitation sector in Brazil. Although the content of the discussion was somewhat general and there was disagreement over several basic issues, the overall tone was constructive and conducive to improved collaboration. Consensus was reached on a few issues: the serious deficit the country faces in the area of sanitation; the need to ensure active local government

participation in federally funded sanitation projects; and advantages of promoting effective stakeholder participation strategies.

A **fourth** instance of increased dialogue has occurred in the area of education, where there has historically been little contact between the government/Bank and CSOs related to Bank-financed loans, despite being an area of the great priority and interest to all three sides. In order to attempt to bridge this perception gap and help the Bank design its long-term education strategy in Brazil, the Bank in 1997 established a multidisciplinary and representative consultative group on education. The Bank invited education specialists as well as representatives of leading Brazilian CSOs to join the group, including one (Ação Educativa) that had been among the most vocal critics of the Bank's policies. In 1998, the Bank followed a similar participatory methodology when it undertook studies on gender and on early childhood education. In the first case, the Bank hired independent researchers who interviewed key government, academic, and civil society gender specialists and practitioners. In the case of early childhood education, the Bank convened a two-day workshop and invited an intersectoral group of experts from the government, private sector, and civil society sectors to discuss the major issues and experiences of early childhood education and the appropriateness of the Bank's study design.

The **final** example of consultative processes has been involved the revision of several Bank operational directives over the past five years. The ODs in several key areas such as indigenous affairs, involuntary resettlement, forest management, and information disclosure are being converted to operational policies (OPs), bank procedures (BPs), and good practices (GPs). Bank staff began the consultation process in each case by circulating the relevant documents widely through the Internet and, in most cases, hiring independent experts to research the policy changes and/or facilitate the consultation meetings. After this initial process, consultation meetings were held with a representative group of NGOs, social

movements, trade unions, and government officials in Brasilia. The consultation on indigenous affairs held in 1998, for instance, brought together over 40 tribal chiefs, NGO representatives, academics, and government officials from throughout Brazil to discuss proposed changes the in WB's indigenous policies.

## RESEARCH ON CIVIL SOCIETY ISSUES

The Brazil Office has undertaken several large studies on the civil society sector and on civil society participation processes in order to better understand the sector and also weigh the advantages and disadvantages of participatory methodologies. These mirror several worldwide studies undertaken by the WB's independent evaluation department – Operations Evaluation Department (OED) – and other units on participation methodologies and their impact on Bank loans. These studies have covered the following issues: NGO participation in World Bank projects in Brazil (Fumo, 1998); civil society participation within the Pilot Program to Conserve the Amazon Rainforest; World Bank – Government - Civil Society relations (Garrison, 2000), and characteristics and participatory approaches of 14 WB-funded social funds (Soares, 2001). Further, the World Bank Institute (WBI) sponsored a program in eight Latin American countries geared to identifying, analyzing, and rewarding successful poverty alleviation programs carried out through intersectoral (Government–CSO–private sector). In Brazil, the Partnership for Poverty Alleviation Program was introduced in 1998 and carried out for three years in partnership with the *Fundação Getúlio Vargas* (São Paulo branch). FGV convened an intersectoral group of development experts and practitioners that selected and researched some 30 successful sub-national partnership initiatives located throughout Brazil. These initiatives were geared to such areas as health care, sanitation, microcredit, education, and enterprise development, and were all carried out through local

intersectoral partnerships. The findings and “lessons learned” of these experiences were disseminated through a video, several national seminars, and publications.

#### PARTICIPATORY MECHANISMS

The World Bank has not only reached out to civil society to consult CSOs on its policies or to better inform them of its program in Brazil, but has – more importantly – attempted to increasingly involve CSOs in its operations as well as encourage greater government – civil society collaboration. This has ranged from inviting CSOs to sit on project management councils and small-grants selection committees, to selecting managers for operate large development programs. Examples of these emerging partnerships included the AIDS/STD Program, Northeast Rural Poverty Alleviation Program, and more recently the Agrarian Credit ??? project, where the national confederation of rural workers (CONTAG) is collaborating actively in the implementation of the program in some 10 states. Another clear example of this growing government–civil society–Bank collaboration is the Pilot Program to Conserve the Brazilian Rain Forest, which has been a watershed experience from a variety of perspectives (**Box 2**).

## Box 2 Pursuing Sustainability in the Amazon

The Pilot Program to Conserve the Brazilian Rain Forest was initially proposed by the G-7 industrial countries in the wake of growing concern for the fate of the Brazilian Amazon in the early 1990s. The program consists of twelve subprograms executed by the Ministry of the Environment and several other government agencies to address such issues as: indigenous land demarcation; rain forest conservation; sustainable community development; scientific research and experimentation; state environmental policy; consolidation of extractive reserves; and watershed management. Different from most Bank loans in Brazil, the pilot program is funded by a \$350 million grant provided by the European Commission and half a dozen industrialized countries, namely Germany, and is managed by the World Bank.

This program has been quite innovative from a variety of standpoints that include its sustainable development philosophy, collaborative design and supervision approach, and stakeholder participation mechanisms. **First**, the program is based on the notion that development approaches in such fragile ecosystems as the rain forest must be rooted in environmental and biodiversity conservation. More important, it is actively supporting environmentally friendly community development initiatives at the local level carried out by traditional forest peoples and small-scale agricultural producers. **Second**, the project design is multilateral in nature, operationally linking over 15 international donor and government agencies. The Bank's own supervision approach, carried out by a multidisciplinary team of technicians residing in Brasília, is more collaborative and interactive than the norm.

**Last** and perhaps most innovative is the pilot program's effective stakeholder participation approach. Of the nine active subprograms, six have unprecedented participatory mechanisms: i) CSO consultation meetings; ii) hiring CSO researchers to carry out project feasibility and monitoring studies; iii) CSO representation on project selection committees; and iv) funding of CSOs. Over 110 CSOs from throughout the Amazon and Atlantic rain forest regions have received grant funds totaling \$19 million, and leading environmental NGOs such as Imazon, ISA, and ISPN have been heavily involved in the design and evaluation of several of the subprograms. Further, the two principal CSO network counterparts to the pilot program, the 430-strong Grupo de Trabalho Amazônico (GTA) and the 110-member Rede Mata Atlântica, have received institutional support funds of over \$700,000 to participate and monitor the program.

Unprecedented CSO–government–Bank relations have also evolved around the AIDS/STD project, where NGOs now largely maintain collaborative relationships with the three levels of government. An illustrative example of improved government-CSO relations in the AIDS field occurred in Curitiba. There, a relationship that had only a few years before been characterized by conflict and tension gave way in 1996 to a productive partnership between the municipal and state level AIDS programs and a dozen CSOs. This was achieved after CSOs were brought into the process through an invitation to serve on the Paraná State

AIDS Commission. With adequate information and frank dialogue, CSOs not only learned more about the complexities of governing with its daily tradeoffs and bureaucratic impediments, but were made to feel co-responsible for AIDS policy in the state.

The level of improved collaboration in the AIDS area was further exemplified by a consultation seminar held to discuss the \$300 million AIDS/STD II project. The seminar, “AIDS II: Novas Parcerias no Combate a Epidemia,” was held in Brasília in April 1998. The event was tripartite in nature and involved over 60 government officials (from all three levels), donor agency representatives (official and nonofficial), and civil society representatives (NGOs, trade unions, social movements). The meeting had two underlying objectives: i) discuss the results and impact of the AIDS I project; and ii) analyze and comment on the AIDS II proposal. This was the first national seminar of the Bank-funded AIDS project that involved all major stakeholders, and it not only produced timely programmatic recommendations (several of which are being incorporated into the AIDS II implementation stage), but was surprisingly constructive in tone. As a result of this positive momentum, a national seminar on the institutional and financial sustainability of AIDS organizations was held in October 1999 involving 80 representatives from these same sectors as well as from private sector companies. Another interesting and singular experience of greater government–civil society–Bank operational relations was the RPAP in Rio Grande do Norte (**Box 3**).

### **Box 3 Northeast Rural Poverty Alleviation Program Incorporates Participation**

The Northeast Rural Poverty Alleviation Program (RPAP) is a large Bank-funded rural development program initiated in 1985 and implemented in all 10 Northeastern states. An estimated 14,000 community groups (producers associations, cooperatives, and women's groups) have received grants to carry out over 30,000 small-scale infrastructure and productive projects. In one state, Rio Grande do Norte, the RPAP has stood out for the singular quality and intensity of government–civil society relations.

The principal catalyst of this collaboration has been the Fórum do Campo, a network of 15 CSOs composed of trade unions (FETARN), social movements (MST), NGOs (ACC, SEAPAC), and church organizations (SAR, MEB), which was established in 1993 as a result of a campaign to combat the endemic drought of the region. Over time, utilizing a combined strategy of policy advocacy and service provision, the Fórum was able to influence and gain unprecedented access to the RPAP. Initially, the Fórum earned a seat on the state's RPAP governing council. Later, Fórum members were selected to provide technical assistance to RPAP-funded associations.<sup>iii</sup> In 1995, Fórum members were invited to carry out the monitoring of the RPAP program, carrying out field visits of over 350 small-scale projects in the state. This monitoring process involved assessing the physical project results, functioning of municipal RPAP councils, and quality of technical assistance provided.

The impact of the active Fórum participation in RPAP in Rio Grande do Norte state has been noticeable in several respects:

- i. A total of 136 municipal RPAP councils were established, many with the active participation of the Fórum. Further, Rio Grande do Norte is the only Northeastern state to have an active state-level RPAP policy council.
- ii. The state seems to have a greater percentage of more consolidated and sustainable community associations which carry out a series of integrated development activities, and not just the single activity funded by the RPAP.
- iii. An unprecedented level of political dialogue and collaboration has developed between the state government, rural trade unions, NGOs, and even the landless rural movement.

As the Bank's Implementation Completion Report stated: "performance improved markedly and the NGO partnership with the [technical unit] and the communities is a distinguishing feature of the State's project experience" (World Bank 1998d, p. 19). There are many contextual factors that explain the advances made in Rio Grande do Norte, but four stand out. **First**, the state has an unusually cohesive and strong civil society sector that has a proven track record of successful development initiatives and more pragmatic, results-oriented approach to policy advocacy. **Second**, the state has a government characterized by openness to civil society and a willingness to test new ideas. **Third**, the presence of institutional "bridge-builders," who served a key role in forging partnerships. This was the case, for instance, of several leaders of the trade union federation who were hired to work within the RPAP executing agency. **Last**, the parties set up experimental mechanisms for collaboration, which were quickly "field tested" and later expanded once they proved successful.

It is important to note that this new participatory approach by the World Bank was undertaken within a context of significant political changes in Brazil during the last two decades which has encouraged growing levels of government – civil society relations. This greater interaction and collaboration has taken various forms and includes citizen-government policy councils, participatory budgetary processes, and project advisory bodies. CSOs participate in national citizen-government policy councils in such areas as children's rights (Conselho Nacional dos Direitos da Criança e do Adolescente/CONANDA), health (Conselho Nacional da Saúde), the environment (Conselho Nacional do Meio Ambiente/CONAMA), and women's rights (Conselho Nacional dos Direitos da Mulher). These councils are generally composed of both government and civil society representatives, sometimes evenly distributed, and in some cases with a majority of civil society representatives.<sup>iv</sup> These councils were created after the promulgation of the 1988 Federal Constitution which introduced various mechanisms for citizen participation in policy-making within a larger and comprehensive political decentralization framework which transferred power and resources to the local level.

The other citizen participation mechanism mentioned is the participatory budgeting experiences being implemented at the municipal level throughout Brazil. The experience began in the early 1990s in the city of Porto Alegre, and because of its effective results in terms of promoting greater citizen involvement, curbing corruption, and improving cost-benefit ratios, it has been replicated in dozens of cities. The Bank analyzed the Porto Alegre experience and estimated that 14,000 persons were involved directly in the budgeting process through assemblies and meetings, and another 100,000 were linked indirectly through neighborhood associations (WDR 1997, p. 122).

## CONTRACTING CSOs

Another form of Civil Society – Government – World Bank collaboration has occurred through the contracting of CSO specialists to provide training and technical assistance within WB-financed loans. Further, researchers associated with leading CSOs are increasingly being contracted by the Brazilian government and the WB to carry out project analysis, monitoring and evaluation. There are several recent technical assistance experiences that stand out because of their unprecedented and strategic nature:

- i. The Ministry of the Environment hired CSO researchers to evaluate two of its subprograms (Demonstration Projects and Extractive Reserves) within the Pilot Program to Conserve the Rain Forest.<sup>v</sup>
- ii. The Ministry of Health hired a number of CSO consultants to analyze project proposals and provide technical assistance within its AIDS/STD program. As a matter of fact, the social analysis of the recently approved AIDS/STD II loan was carried out by a well-known NGO activist and researcher who had been among the most critical of the earlier AIDS/STD project.
- iii. A senior economist at the Brasília office contracted leading urban development NGOs (FASE, POLIS, ETAPAS) in 1998 to carry out household and community surveys to determine the characteristics and impact of urban poverty. This data was fed into a Brazil urban poverty study and the 2000-2001 WDR on poverty.
- iv. The Bank's social development sector leader for Latin America hired two leading CSO/university researchers in 1998 to carry out a study on urban violence.
- v. Five independent researchers, three with extensive NGO backgrounds, were hired in 1999 to undertake a study of 14 small-grants funds financed by the WB in Brazil, to better understand their operational characteristics and participatory mechanisms. (Soares, 2001)

#### FUNDING CSOs

The last and perhaps the most important form of tripartite collaboration has been the increasing levels of WB funding of thousands of CSOs through small grants funds. While the World Bank maintains several small funding mechanisms which it uses to provide funding directly to CSOs, the great majority of WB funding is provided indirectly through government operated small-grants funds.

In terms of **direct WB funding**, there are several civil society funding mechanisms which the Bank has utilized to fund Brazilian CSOs. These include: Small Grants Program (SmGP); Consultative Group to Assist the Poorest (CGAP) which funded micro-credit groups through the Banco do Nordeste; the Global Environment Facility (GEF) which funded environmental NGOs; InfoDev which funded internet-based programs by NGOs in Rio de Janeiro; and Development Marketplace which funded a violence prevention program in Sao Paulo.

While most of these funding mechanisms are operated out of Washington, the Small Grants Program was decentralized to the Brasilia office in 1998. SmGP funds were used to fund the Fundo de Apoio a Parcerias (FAP) which was geared to funding government – civil society social development partnerships. A tripartite selection committee composed of civil society, government, and WB representative awarded grants averaging \$4,000 dollars to over 50 CSOs from throughout Brazil to undertake research, hold meetings, and provide training. While the amounts provided was relatively little compared to the WB's vast loan portfolio in the country, it allowed the Brasilia Office to fund cutting-edge policies and programs in such areas a human rights, Afro-Brazilian race issues, gender equity, and street children.

In terms of **indirect WB funding** through government, the World Bank currently funds thousands of CSOs throughout Brazil via small-grants funds in various existing government loans. As a matter of fact, nearly \$1 billion has been channeled to CSOs through some 20 small-grants funds during the seven-year period from 1997 to 2002<sup>vi</sup>. These funds are operated either by federal government ministries or state agencies in the following areas: environmental conservation, rural poverty, AIDS, and natural resource management. This amounts to approximately \$134 million per year, and this figure is expected to grow as new loans come on line in the next few years. Although these funds vary considerably in terms of thematic areas, they share many of the same developmental goals and programmatic

functions: i) encourage demand-driven initiatives; ii) decentralize decision making to the local level; and iii) transfer benefits directly to impoverished communities.

It should be noted that the government and the Bank are learning from operating and supervising these funds, since neither one has much experience in retailing moneys through small grants. While the funds represent valuable mechanisms by which to begin integrating the macro and micro development sectors, they also generate problems related to contrasting institutional cultures. Clashes over such issues as differing programmatic expectations, administrative procedures, and accountability standards are not uncommon since CSOs generally have less formal accountability standards than government agencies.

## **Disadvantages and Advantages of Tripartite Collaboration**

### DISADVANTAGES

While acknowledging that important strides have been made in government–civil society–Bank collaboration, some analysts and practitioners in all three sectors feel that the growing phenomenon of tripartite relations may either have gone too far or have generated several unresolved problems. This is the case, for instance, with those that feel that the proliferation of government–citizen policy councils is exaggerated and question the representativity of the CSOs and other civil society participants. Some officials in the Cardoso administration share this view and question the legitimacy of the *conselhismo* phenomenon, where self-appointed CSO representatives have as much voting power as elected officials. They feel that CSOs need to have a presence in such councils but they should be consultative in nature in order to not dilute the legitimate power of elected officials. It is for this reason, they point out, that bipartite councils set up by the Cardoso administration have tended to be consultative in nature rather than deliberative.<sup>vii</sup> At the other end of the political spectrum, analysts point to the dangers of *participação*

*constrangida*, in which project-induced councils are seen as a straitjacket or “token” bodies rather than being spontaneous and effective participatory mechanisms.<sup>viii</sup> In these situations, the councils simply serve to legitimize personal interests of government officials or rubber-stamp government-induced decisions.

Critics also often point out that CSOs have never been elected and thus do not have legally granted representation or formally speak for anyone. This is obviously true, but what this view ignores is that CSOs’ gain their political legitimacy, in part, not from a representational or electoral rationale, but rather from defending larger, universal principles such as human rights, gender equity, and environmental protection. They do not have natural constituencies but nevertheless must be advocated in modern society. Further, as established political parties face a disenchanting electorate and a crisis of governance in Brazil and worldwide, it is increasingly the organized civil society sector, often led by the CSOs, who help to fill the political void. Most analysts agree that elected representatives in Brazil and throughout the world do not have the capability to represent the interests of all the myriad constituencies within society.

This is especially true of marginalized sectors such as landless rural workers, indigenous populations, and the urban poor, who often do not have the political base to elect their own representatives. In these situations, CSOs often play a crucial role as the voice of the voiceless. This is the case of the Rede Brasil, which, although led by traditional NGOs, represents large constituencies such as small-scale rural producers and urban slum dwellers when discussing broad policy questions or specific projects with the World Bank and the IDB. These informal citizens’ movements should thus be seen as a complementary power of *participatory* democracy which adds strength and depth to the *representational* democratic system, rather than a movement that challenges the power of elected representatives. As the Bank’s 1997 WDR recognized:

The growth of these intermediary organizations reflects the larger movement toward democracy in many regions and, in some countries, the need to bridge the "missing middle" between citizens and the state (p. 114).

CSOs also derive legitimacy from—and are increasingly recognized as important development actors because of—their largely successful efforts at the grassroots level. As reflected by the title of the *Veja* cover story on civil society some years ago *O Brasil que dá Certo* or "The Brazil That Works," CSOs are increasingly valued for their effective organizing, resource mobilization, and technical skills. Further CSOs, and particularly NGOs, often have the technical capability and financial resources to participate at national and international public policy forums that the smaller, less sophisticated groups cannot attend. In this way, NGOs can and generally do defend the broader interests of other civil society sectors.

Interestingly enough, greater CSO influence and relations with government are also questioned by many in the CSO community. Not only do many CSOs continue to harbor long-standing suspicion of their government interlocutors, expecting them to attempt to control or co-opt them, countless others maintain conceptual restrictions to working closely with government or even scaling up their operations. Many CSO leaders and academics feel that CSOs should not attempt to replace the role of the state in providing social services, since these are governmental responsibilities enshrined in the Brazilian Constitution. Further, they feel that an expanded CSO role in society is part of the so-called *neoliberal* strategy to reduce the size and influence of the state. This view, as expressed by a well-known academic, generally sees CSOs as contributing: "to the privatizing of public policy, and to leading these policies to a market-based solution, just as prescribed by conservative alternatives to the welfare state model" (Gonçalves 1996, p. 56). For this reason, many CSOs are hesitant to receive government funds or to accept the invitation by governments to expand their often-

localized education and health services. Even the Bank recognizes the dilemma experienced by CSOs as stated in the OED report on CSO-Bank relations:

Many NGOs have reservations about accepting contracts from governments. Reservations may be ideological or practical. Accepting funds from governments may reduce NGOs' credibility with their clients and their supporters and have a chilling effect on their ability to have a critical relationship with government (World Bank 1998d, p. 36).

Some CSOs also feel that they will stray away from their traditional government watchdog role and lose their hard-earned autonomy if they collaborate too closely with government. Still others, take a middle position in this debate on evolving government-civil society relations. They argue that by adopting a more visible and proactive stance, CSOs don't risk substituting government, but rather serve to complement government action. As Leilah Landim states, "This is the worst idea one can have of this sector. A civil society sector presupposes a strong and active state, transparent, with clear rules, and CSOs which are autonomous, vibrant, and proactive" (*Gazeta Mercantil* 1998, p. 4). Further, this view contends that CSOs bring singular skills and experiences that complement well government expertise and capabilities. Rather than be seen as an impediment, CSOs can play a role, as they do in the United States and Western Europe, of monitoring government action and establishing partnerships with government to provide services to society at large, and in the long-run contribute to the improved effectiveness of government projects. While many within the civil society sector feel that the Bank is intent on having CSOs substitute the work and even the role of the state, the Bank's OED report is clear on this: "NGOs and CBOs are valued partners most often when they complement government rather than substitute for it" (World Bank 1998d, p. 16).

The role of the Bank is also questioned at times, especially when it finds itself unwittingly cast as middleman between the government and civil society. What often happens in problematic projects is that the Bank is placed in an intermediation role between feuding government and civil society organizations. This was clearly the case in the

Planafloro, Prodeagro, and Itaparica projects, where the local CSOs attempted to influence government policy by putting pressure on the Bank. This is not an appropriate role for several reasons. **First**, because the Bank is, after all, an outside funder, while government and civil society are the principal protagonists of local development processes. Government and civil society should thus always take center stage in the development process. **Second**, the Bank is poorly equipped for such an intermediate role because of its own distant and tentative relations with civil society. Clearly, the best-case scenario for any development project is for the government to constructively engage civil society in its implementation. The ideal position for the World Bank, on the other hand, is to simply play a catalytic role in this process by encouraging the government, when needed, to be more open and responsive to CSO overtures for information and participation. The OED study found that the Bank has comparative advantages in fulfilling a catalyst role and has made some headway in this regard. The report states that:

The Bank is in a unique position to facilitate government-civil society dialogue and interaction because of its direct relationship with government, in particular the economic/financial sectors. In several instances (e.g. in the formulation of the Pilot Program or in the preparation of the AIDS/STDs Control project), the Bank has played a positive role in this. (Fumo, 1998, p.36)

In this light, the Bank is accumulating valuable insight about stakeholder participation experiences worldwide that it can bring to bear on the Brazilian portfolio.

## ADVANTAGES

Despite the contradictions and problems that characterize government–CSO–Bank collaboration, mounting evidence suggests that the advantages of this growing institutional synergy are many and mutually beneficial. The Bank’s WDR 1997 report on the role of the state was clear on this point:

The benefits of greater consultation and partnership with civil society show up in improvements in the process of public policymaking, in the quality of service delivery, and, in some instances, in improved rate of return. (World Bank 1997a, p.120)

This growing recognition of the successful track record and unique expertise of NGOs is especially important during this period of generalized political decentralization and redefinition of the role of the state in Brazil and throughout Latin America. As the state reduces its size and some of its attributions in the social areas, partnerships with CSOs are increasingly seen as a more effective, flexible, and low-cost alternative to traditional unilateral government programs.

Recent World Bank experience with participatory approaches in Brazil and elsewhere have generated several lessons that clearly point to the advantages of intersectoral collaboration. **First**, the benefits are mutual, since each sector (government–civil society–Bank) has differing, yet complementary, experience and know-how. In terms of technical expertise, the government and Bank have recognized competency in the content, or “hardware,” aspects of development such as conceptualizing macro policies, baseline research, economic modeling, and sector work. CSOs, on the other hand, have proven experience in the process and organizational, or “software,” aspects of development such as participatory approaches, community organizing, and stakeholder ownership strategies. Because of their self-help nature and smaller size, CSOs also tend to have an ability to innovate and adapt, as well as be more cost-effective than, government agencies. Further, civil society entities have an intimate knowledge of local reality and conditions and can provide an in-depth, sector-specific perspective, while the Bank brings a broader, longitudinal, perspective that is both cross-sectoral and international. A Bank study on stakeholder participation stated: “Many intermediary NGOs have experience in participatory project design and skills in participatory research, community mobilization, facilitation techniques, and group dynamics” (World Bank 1996, p. 156).

**Second**, in terms of institutional roles, while civil society entities bring grassroots representation and legitimacy to the bargaining table, the government and the Bank bring the weight and resources of the official sector. Experience has demonstrated that both aspects, social legitimacy and institutional support, are necessary ingredients to allow for successful development initiatives. **Third**, if CSOs are brought into the process in a constructive fashion, they can prove to be effective partners in terms of project monitoring, technical assistance, and project implementation. The Bank primer *Working with NGOs* states that:

The most successful examples of Bank-NGO collaboration are those in which NGO involvement comes early on in the project cycle and NGOs are treated as **partners** in the development process, not simply as hired contractors or service delivery agencies. Partnership implies: consultation concerning development objectives and goals, mutual transparency and shared decision-making (World Bank 1995, p. 45).

Even if CSOs are not involved directly in project matters, they are key opinion makers in society and can help mobilize community interest around the project and disseminate useful information about the projects to the beneficiary population. With the adoption of a new worldwide anti-corruption policy in 1998, the Bank is also beginning to recognize and value the important role CSOs can play in helping to curb corruption at the project level.

A **fourth** lesson is that certain thematic areas seem to be more inclined to encourage closer relations and more operational collaboration among the three sectors. These include the environment, health, education, and rural poverty issues. There are certainly a variety of reasons that account for this trend, but three key factors, which seem to encourage greater participation, are:

- i) Issues that have a more universal and less political/ideological appeal, such as AIDS and the environment
- ii) Social programs that are more complex to implement and thus require greater stakeholder discussion and ownership to ensure successful project outcomes and long term sustainability, such as rural poverty and education
- iii) Regions such as the Amazon, which, because of their immensity and problems, have limited government presence.

A **final** lesson on tripartite partnerships seems to be that the Bank and CSO personnel have a better chance of more substantive and constructive engagement when focused on a specific program or project, rather than on larger policy questions. The Mato Grosso Natural Resources Management Project (Prodeagro) exemplifies this point well. While there is still considerable disagreement between the state government and CSOs over more contentious issues such as indigenous land demarcation, agrarian regularization, and environmental protection policies, both parties opted to negotiate the establishment of a small-grants fund (PADIC) and concentrate on its joint implementation. The hope is that many of the small-scale initiatives financed by the fund would not only serve to address the larger, thornier issues, but its joint administration would allow both sides to forge a more constructive working relationship. This expectation seems to have at least partly been borne out as expressed by Mato Grosso Congressman Gilney Viana in a 1998 report about CSO participation in Prodeagro. He stated that this experience had been: “a concrete and successful example of participation, intervention, and change in public policy, with significant reflexes for other sectors in society” (ABONG 1998b, p. 95).

## Conclusion

The civil society sector in Brazil is not yet clearly defined or visible, yet its significance and weight are steadily becoming more apparent. Not only has the number of CSOs mushroomed over the past decade, but their role in national and local development processes is being increasingly recognized. This is especially true of NGOs, which have gone from near-clandestine status a decade ago to being valued and visible development actors today. After having demonstrated their effectiveness in promoting grassroots organizing and social services, NGOs are now participating in policy discussions at the macro level.

While barriers based largely on past animosity still exist between CSOs, government, and the World Bank, relations are improving rapidly. There are a growing number of innovative mechanisms for tripartite information sharing, dialogue, consultation, operational collaboration, and funding. Recent experience with Bank-financed projects in Brazil demonstrates that increasing government–civil society–Bank collaboration can improve the effectiveness of development projects. Collaboration not only promotes greater local ownership and beneficiary involvement, but can result in improved operational results and social impact. While the World Bank recognizes its catalytic role in promoting stakeholder participation, it is the Brazilian government, at various levels, that is taking the lead in promoting government–civil society collaboration.

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<sup>i</sup> Paper based on presentation made by John Garrison at the “Social Development in Brazil” Colloquium hosted by the Bildner Center for Western Hemisphere Studies City University of New York, New York – April 9, 2002

<sup>ii</sup> The coalition of civil society organizations coordinated by the NGO Forum (FETAGRO, CUNPIR, OSR) are not only members of the PAIC Deliberative Council, which approves the projects submitted by the communities, but sit side by side with government technicians to analyze the project proposals. This participation has enhanced the selection process in two basic ways: the analysis is more complete, as CSO representatives have more local knowledge, and their presence has helped the state government avoid the political pressures associated with the statewide elections held in 1998.

<sup>iii</sup> ACC alone was awarded over 50 technical assistance contracts by over 40 local producers associations during the 1993–96 period. These contracts totaled approximately US\$75,000.

<sup>iv</sup> The committee which selects grants for the Pilot Program’s Demonstrations Projects (PD/A) is composed by an equal number of government officials and CSO representatives. The national and local health councils, for instance, have the following composition: 50 percent health consumers, 25 percent government, and 25 percent health professionals. The Conselho da Comunidade Solidária council which is consultative in nature, on the other hand, has an almost 7:1 ratio of civil society representatives (28) over that of government officials (4).

<sup>v</sup> It is significant to note that one of the researchers hired to evaluate the RESEX project has previously been heavily involved in mounting the Inspection Panel case against the Bank in the Planafloro project. The fact that this environmental expert and NGO activist could be engaged more constructively in a Bank-financed project is a testament to what dialogue and a more open attitude on all sides can yield.

<sup>vi</sup> For an analysis of 14 of these funds see the report titled “Estudo sobre Fundos Sociais Apoiados pelo Banco Mundial no Brasil” which was carried out by five independent researchers in 1999. (Soares, 2001)

<sup>vii</sup> It is interesting to note, for instance, that the Conselho da Comunidade Solidária differs in two fundamental ways from the citizen-government council that preceded it, the Conselho Nacional de Segurança Alimentar (CONSEA). While the CONSEA, which was established during the Itamar Franco administration, had more of a deliberative function and its members both formally represented and were selected by civil society organizations, the Comunidade Solidária council has a clearly consultative status, and its civil society members are selected by the government and serve as individuals “chosen for their community and social tradition.”

<sup>viii</sup> Horácio Martins, community participation expert, has written widely about some of the legally mandated local participation councils in the Northeast of Brazil, where the civil society participants do not, in reality,

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have equal representational rights to local political bosses, and are in this way vulnerable to being manipulated (Carvalho 1997).