

FARHAD HOSSAIN

Administration of Development Initiatives  
by Non-Governmental Organisations

A Study of Their Sustainability  
in Bangladesh and Nepal

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**For my parents**



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<sup>1</sup> Denmark, Finland, Norway and Sweden



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Tampere, 14.5.2001

Farhad Hossain

## **ABSTRACT**

Farhad Hossain

### **Administration of Development Initiatives by Non-Governmental Organisations: A Study of Their Sustainability in Bangladesh and Nepal**

Sustainability is an important and central issue to development initiatives by Non-Governmental Organisations (NGOs) in developing countries. A development programme is considered sustainable when it is able to deliver an appropriate level of benefits for an extended period of time after major financial, managerial, and technical assistance from an external donor is terminated.

The assumed comparative advantage and sustainability of NGO-led development initiatives have been challenged in the contemporary development aid discourse. The supposed comparative advantages of NGOs, i.e., that they are flexible, innovative, participatory, cost-effective and directed to the poor, etc., have been challenged. In order to examine the sustainability of NGO-led development initiatives, the present study attempted to explore empirically the comparative advantage of this special sector compared to public, private, and traditional institutions by studying the sustainability of selected Nordic NGO-led development initiatives in Bangladesh and Nepal. The role of the recipient states, the donors, and the capacity of NGOs to promote the sustainability of NGO-led development projects has been assessed and analysed.

The methodologies used in this qualitative research include: literature and document review, content analysis, thematic interviews, informal discussion, observation, field visits, participant observation, interviews and the questionnaire method. Along with the above-mentioned tools, the empirical part of the study in Bangladesh and Nepal was prepared based on the participatory rural appraisal (PRA) method. The PRA tools used include: rapport building, social mapping, Venn diagrams, pair-wise ranking, and time-trend analysis. Empirical information presented in the study has been collected from 1995 to 2001. Theories of administrative sciences, development administration in particular, have been referred to in analysing the findings of the research.

The study of Third Sector organisations, e.g., development NGOs, is central in administrative science and particularly in development administration. The structure of the study is based on the above methodological and theoretical grounds. The central theses of this study can be summarised as follows:

The key concepts, i.e., Development Administration, NGOs and sustainability, have been clarified and analysed. The role of Nordic donors in promoting NGOs in development has been studied. The sustainability of Nordic-supported, NGO-led development initiatives has been described, assessed and analysed. The perspectives from selected Nordic donors and donor NGOs are presented with empirical references.

A general overview is presented on the role of NGOs in the development process of Bangladesh and Nepal. The policies of the governments and the strength and weaknesses of NGOs in development is also presented.

Empirical assessment is presented on the sustainability of selected NGOs with Nordic ties. A perspective from the selected local and Nordic NGOs in Bangladesh and Nepal has been presented in regard to the wider context of their particular activities. The sustainability of their development initiatives has been evaluated compared to public, private and traditional institutions. In this regard, two empirical case studies from Bangladesh and two empirical case studies from Nepal are presented. The sustainability of NGO intervention has been analysed thoroughly with empirical findings in each of four case studies.

The study revealed that the work environment and the attitude of the governments examined are not generally hostile to the professional development of NGOs, rather the government policies in Bangladesh and Nepal are quite supportive to the sector. But the commitment of the official donors and the donor NGOs to support development initiatives still remains unclear to most of the studied NGOs in the field. Therefore, a degree of uncertainty is present in the NGO sector. The management capacity of NGOs in both countries is weak and institutional initiative to improve the capacity of NGOs is largely lacking.

These key research findings have been presented in the study. Analyses have been made from the perspective of administrative science, particularly based on the factors that affect the sustainability of NGO-led development programmes. The environment, strategies, organisational structure and organisational process of the studied development interventions have been analysed within a broader context. Key factors of sustainability, i.e., government policies, management capacity, organisation, local participation, financial, technological, and socio-cultural issues have been evaluated and presented. The role of the governments in Bangladesh and Nepal, the Nordic official donors and donor NGOs, and the management capacity of NGOs in promoting the sustainability of NGO-led development projects have been studied and analysed. Referring to these key findings, the study argues that the NGO initiatives in Bangladesh and Nepal remain largely unsustainable.

**Keywords:** Development Administration, World Development, Nordic Development Aid, Third Sector Organisation, Non-Governmental Organisations (NGOs), Donor, Donor NGOs, Development Project, Sustainability, Bangladesh, and Nepal.

## TIIVISTELMÄ

Farhad Hossain

### **Kansalaisjärjestöjen kehitystoimien hallinnointi: tutkimus niiden kestävydestä Bangladeshissa ja Nepalissa**

Kestävyys on tärkeä ja keskeinen kysymys tarkasteltaessa kansalaisjärjestöjen kehitystoimia kehitysmaissa. Kehitysohjelmaa voidaan pitää kestäväenä, kun se pystyy ulkopuolisen kehitysrahoittajan merkittävän taloudellisen, hallinnollisen ja henkilöavun päätyttyä tuottamaan sopivasti hyötyä pitkähkön ajanjakson ajan.

Kehityskysymysten aikalaiskeskustelussa kansalaisjärjestöjen johtamien kehitysaloitteiden oletettu suhteellinen etu ja kestävyys on kyseenalaistettu. Kansalaisjärjestöjen oletetut suhteelliset etu/edut ts. se että ne ovat joustavia, uudistavia, osallistavia, kustannustehokkaita ja köyhille suunnattuja jne. on asetettu kyseenalaiseksi. Tarkastellakseen järjestöjen johtamien kehitysaloitteiden kestävyyttä käsillä oleva tutkimus pyrkii empiirisesti selvittämään tämän toimialan suhteellista etua verrattuna julkishallintoon, yksityisiin ja perinteisiin instituutioihin. Tutkimus käsittelee kestävyyttä valikoidussa joukossa pohjoismaisten kansalaisjärjestöjen kehitysaloitteita Bangladeshissa ja Nepalissa. Siinä arvioidaan ja analysoidaan vastaanottavien maiden hallitusten ja kehitysrahoittajien roolia sekä kansalaisjärjestöjen kykyä edistää järjestöveltoisten kehityshankkeiden kestävyyttä.

Tutkimus on laadullinen. Käytettyjä menetelmiä ovat kirjallisuus- ja asiakirja-aineistojen tarkastelu, sisältöanalyysi, teemahaastattelut, keskustelut, havainnointi, kenttävierailut, osallistuva havainnointi, haastattelut ja kyselymenetelmä. Edellä mainittujen keinojen lisäksi työn empiirinen osa Bangladeshissa ja Nepalissa perustui osallistavaan selvitystyöhön (PRA). Siihen sisältyi mm. suhteiden luominen ihmisiin, sosiaalinen kartoitus, Venn-kuviot, parivertailu ja muutosanalyysit. Tutkimuksen empiirinen aineisto on kerätty vuosien 1995 ja 2001 välillä. Tutkimuksen löydösten analyysissä on viitattu hallintotieteiden teorioihin, etenkin kehityshallintoon.

Kolmannen sektorin, kuten kehitystyössä toimivien kansalaisjärjestöjen, tutkimus on keskeistä hallintotieteissä ja etenkin kehityshallinnossa. Tämän tutkimuksen rakenne pohjautuu mainittuihin menetelmällisiin ja teoreettisiin perustuksiin. Työn keskeinen sisältö voidaan tiivistää seuraavasti:

Tutkimus selkeyttää ja analysoi avainkäsitteitä: kehityshallinto, kansalaisjärjestöt ja kestävyys. Se tutkii pohjoismaisten rahoittajien roolia kansalaisjärjestöjen kehitystoiminnan edistäjinä. Lisäksi tutkimus kuvailee, arvioi ja analysoi Pohjoismaiden tukemien kansalaisjärjestöjohtoisten kehitysaloitteiden kestävyyttä. Valikoitujen pohjoismaisten kehitysrahoittajien ja rahoitusta järjestävien kansalaisjärjestöjen näkökulmia esitellään empiiriin viittauksin.

Kansalaisjärjestöjen roolia Bangladeshin ja Nepalin kehityksessä esitellään yleisesti. Lisäksi tuodaan esille hallituksen politiikkaa ja kansalaisjärjestöjen vahvuuksia ja heikkouksia kehitystoimissa.

Valikoitujen kansalaisjärjestöjen, joilla on pohjoismaisia kytkeviä, kestävyystä esitetään empiirinen arvoitus. Tutkimus esittelee valikoidun joukon paikallisten ja pohjoismaisten kansalaisjärjestöjen näkökulmia suhteessa niiden toiminnan laajempiin viitekehyksiin Bangladeshissa ja Nepalissa. Niiden kehitystoimien kestävyystä on verrattu suhteessa julkisiin, yksityisiin ja perinteisiin instituutioihin. Tätä varten kummastakin maasta käsitellään kaksi empiiristä tapaustutkimusta. Kansalaisjärjestöaloitteiden kestävyystä on analysoitu perusteellisesti kaikissa neljässä tapauksessa.

Tutkimus paljasti, että tarkasteltujen hallitusten toimintaympäristö ja suhtautuminen eivät yleisesti ottaen ole vihamielisiä kansalaisjärjestöjen ammattimaiselle kehitykselle. Pikemminkin hallitusten toimet Bangladeshissa ja Nepalissa tukevat järjestösektoria verraten paljon. Sen sijaan kehitysrahoittajien ja rahoitustukea tarjoavien kansalaisjärjestöjen sitoutuminen kehitystoimien tukemiseen jää yhä epäselväksi useimmille kentällä tutkituista järjestöistä. Näin ollen järjestösektorilla vallitsee jonkinasteinen epätietoisuus. Kansalaisjärjestöjen hallinnointikyky on molemmissa maissa heikko ja institutionaaliset toimet yhdistysten toimintavalmiuksien parantamiseksi puuttuvat laajalti.

Tutkimus esittelee nämä keskeiset tutkimustulokset. Analyysit on tehty hallintotieteiden näkökulmasta korostaen niitä tekijöitä, jotka vaikuttavat kansalaisjärjestöjen vetämien kehitysohjelmien kestävyteen. Tutkittujen kehitysohjelmien toimintaympäristöä, strategioita, järjestörakennetta ja järjestöjen toimintaprosessia on analysoitu laajemmassa asiayhteydessä. Kestävyden avaintekijöitä, ts. hallitusten politiikkaa, järjestöjen hallintokykyä ja järjestäytymistä, paikallista osallistumista sekä taloudellisia, teknologisia ja yhteiskunnalliskulttuurisia kysymyksiä, on arvioitu ja esitelty. Tutkimuksessa on myös analysoitu hallitusten roolia Bangladeshissa ja Nepalissa, pohjoismaisia julkisia kehitysrahoittajia ja rahoitusapua kanavoivia kansalaisjärjestöjä sekä kansalaisjärjestöjen kykyä hallinnoida kehitystoimia ja edistää kestävyystä niissä. Näihin keskeisiin löydöksiin perustuen tutkimuksessa väitetään, että järjestöjen toimet Bangladeshissa ja Nepalissa ovat laajalti kestävämpiä, eli niiden kestävyystä voitaisiin parantaa.

**Asiasanat:** Kehityshallinto, kansainvälinen kehitys, pohjoismainen kehitysapu, kolmas sektori, kansalaisjärjestöt, kehitysrahoittajat, kehitysrahoitusta kanavoivat kansalaisjärjestöt, kehityshanke, kestävyys, Bangladesh ja Nepal.

## **1.0: RESEARCH DESCRIPTIONS**

### **1.1: BACKGROUND, AIMS, SPECIFIC OBJECTIVES AND RESEARCH QUESTIONS**

#### **Background**

The role of Non-Governmental Organisations (NGOs) in managing development initiatives in developing countries has been very central in contemporary development aid discourse. According to some Western analysts the reasons for the emergence of development NGOs since the 1970s are several. Among them ‘market failure’ and ‘government failure’ are considered the leading ones in developing countries. (Anheier & Seibel 1990, 1) Scholars argue that this growth of NGOs is a reflection of dissatisfaction with both state and market. On the other hand, the use of NGOs has been consistent with both the New Right aid policies of governments in the USA and UK and the ‘alternative’ aid policies of the consciences of the donor community in the Nordic countries and the Netherlands. (Hulme 1994, 251 & 265) Researchers and policy-makers have begun to re-examine decentralisation and privatisation and to consider the NGOs a possible remedy for the ‘crisis of the welfare state’ (Anheier & Seibel 1990, 1). The restructuring policies of the World Bank and other influential donor institutions (e.g., in OECD countries) led to a planned reduction of the role of the state in developing countries and increased space for development NGOs. (Tvedt 1998a, 62)

Conceptual and terminological aspects of NGOs will be discussed in a following chapter (for details also see e.g. Hossain & Mälkiä 1996; Mälkiä & Hossain 1998). A belief in the comparative advantage of NGOs is often found in development aid literature. Development projects run by NGOs are assumed to be flexible, innovative, participatory, cost effective, and directed to the poor. Several social, economic, political and cultural arguments exist to justify the advantages of NGOs (for detail see Anheier 1990, Korten 1991, Paul 1991, Brown & Korten 1991, Eaves & Salmen 1991, Hulme 1994, FINNIDA 1994a & 1994b, Riddell et al 1995, Tvedt 1995 and others). Some shortcomings of NGOs have been documented in several works and some of them have challenged the idea that NGOs are necessarily more effective or efficient than official channels (see Korten 1991, IIRR 1993, FINNIDA 1994a & 1994c,

Vuorela, Airaksinen & Ulvila 1996 and others). In addition, some shortcomings in the existing NGO-literature have also been identified in their writings.

Therefore, in this process of determining the comparative advantages or disadvantages of NGOs, their performance in development management plays a crucial role. If NGOs fail to produce better performance in their development initiatives or if they suffer from shortcomings similar to those believed to be common in government-led development initiatives in developing countries – where is the justification to involve NGOs in development? Do NGOs have better administrative capacity than the government agencies in the developing countries? Are their projects sustainable enough to face the future challenges of the developing world? These are the issues this study tries to investigate by focusing on the issue of sustainability and by limiting the study to selected Nordic NGO involvement in Bangladesh and Nepal. The assumptions are that if the policies of the recipient countries and donor organisations and the managerial capacity of NGOs are supportive and good, it helps to ensure the sustainability of NGO development initiatives.

## **Main aims**

As already mentioned, NGO-led development projects are often assumed to be flexible, innovative, participatory, cost effective and directed to the poor, but the present study does not necessarily share all these views. In reality, these suggested advantages of NGOs in developing countries are already in question. Despite the increased involvement of donors over the past decades, NGO-led development has been disappointing, like the government-run development projects. They have had limited success, having failed largely in their efforts to reduce rural poverty by any significant amount. (Kalimullah 1990, 171) The situation has not been further developed in recent years. (Quibria 1994) Although NGOs provide technology and funds like other international donors, their planning and implementation leave much to be desired, like government-run traditional development projects in developing countries. ‘Management’ has always been identified as a neglected factor in development project activities (Paul 1986, 1). The same is true with the NGO-led development projects. It has been assumed that the reason for this disappointment is that they did not consider properly the work



environment of the project area. Some have argued that the NGOs and their donors paid too little attention to the local needs, social norms, values, and cultures of the project area and failed to plan and implement their development projects properly. That is why the sustainability of NGO-led development projects is in question among the donor and recipient countries. (IIRR 1993)

A 1996 study on the subject (Vuorela, Airaksinen & Ulvila 1996, 2) argued that the wisdom of the comparative advantage of NGOs is now in question for various reasons. Among the most obvious have been observations that previous understandings of the roles and relative advantages of NGOs have been sharply challenged: they are not necessarily more effective or efficient than official channels. It has been argued that the costs of NGO operations have been underreported and the real volume of resource flows through NGOs is not known. NGOs do not necessarily reach the poor and meet their needs at the grassroots level any better than the official assistance.

The same study (Vuorela, Airaksinen & Ulvila 1996, 9) also claimed that the relationships between official and NGO channels in development are also undergoing vigorous changes. While the differences between official and NGO co-operation in development are diminishing, the NGOs retain their interests in remaining different and autonomous. Questions about co-ordination, complementarity and the relative autonomy of the NGO field with regard to the state and the market are central issues that should be addressed both from the perspectives of the North and the South, by donors and recipients alike.

In the present research the *assumption* is that NGO-led development initiatives are not sustainable (or seldom sustainable) because:

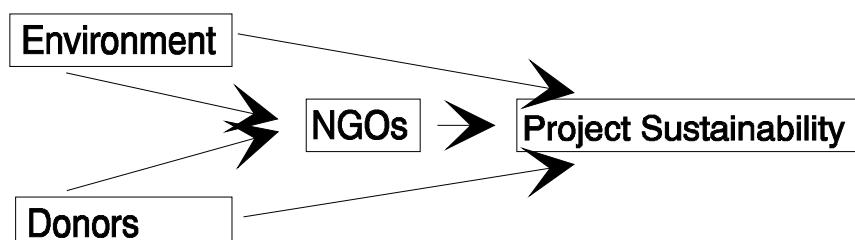
- (a.) NGOs do not get a favourable environment to work in, due to the lack of proper grassroots policies and the oligarchic character of governments in most developing countries.
- (b.) The commitment of the donors and their policy of supporting NGOs is not yet stable enough in donor (e.g. in OECD) and recipient countries. Thus NGO workers and activists are working with a degree of uncertainty in developing countries. And, finally,
- (c.) For various reasons the management capacity of NGOs in managing development initiatives is weak. Poor performance in project management makes the NGO-led development initiatives unsustainable.

The main aim of the study is to carry out a systematic study of these aspects of development management. The concept of ‘sustainability’ in the present research is as follows: A development programme is considered sustainable when it is able to deliver an appropriate level of benefits for an extended period of time after major financial, managerial, and technical assistance from an external donor is terminated. (See for details, e.g., OECD 1989, 13; Riddell et al 1995, 52) The managerial capacity of NGOs plays a crucial role in this respect. So far there has been very little academic research in this area, but such research is very much needed. A leading evaluation study (FINNIDA 1994a, 194) on NGOs also suggested that the donors should undertake systematic study of the whole issue of sustainability in NGO-led development projects.

### Specific objectives

The specific objectives or the central point of the research are the study of the *sustainability of NGO-led development initiatives*. The general concept of ‘development initiatives’ in this study refers specifically to development projects and programmes. For analytical purposes, three influential factors have been identified that affect the sustainability of NGO-led development projects. These are: **a.** *the overall and particular work environment of the NGOs in the target country*; **b.** *policy and the degree of commitment of the donors concerning NGOs*; and **c.** *the overall management capacity of the operating NGOs*.

These three factors are highlighted in the study, which includes analysis of the overall and particular *environment* of the project in the target country; analysis of the policy and commitment of the *donor*; and analysis of the administrative capacity of the concerned *NGOs* and their projects.



## **Target country environment and the NGOs**

Examination and analysis of the environment in which NGOs are operating their projects was important for this study. This phase concentrated on the conceptual issues related to NGOs in general; also particularly the working environment of NGOs in Bangladesh and Nepal has been examined to see whether government policies are supportive towards their activities or not. Several official policies, laws, etc. documents have been studied and analysed. In addition, how NGOs have developed differently under different authoritarian and democratic regimes in Bangladesh and Nepal has been studied. The scope and impact of government policies, present commitment and the priorities of the Government of Bangladesh and His Majesty's Government of Nepal concerning NGO-led development projects has been a central issue of this research. Particularly, the role of the 'NGO Affairs Bureau' of the Government of Bangladesh and 'Social Welfare Council' of His Majesty's Government of Nepal were observed and studied. These have been considered from a broader perspective with *country case studies* by analysing the past, present and trends towards the future. The NGO sector has developed quite differently in different areas. Differences within regions are sometimes even more striking than differences between regions. (Brown & Korten 1991, 83) In Asia, Bangladesh and Nepal have been selected for the research as representative models of South Asia after considering the history, geography, economy, culture and politics in SAARC<sup>1</sup> member states. On the other hand, since independence in 1971, NGOs have become an integral part of the institutional framework of development management in Bangladesh (Aminuzzaman 1994). Over the years the country has become the home to some of the world's largest and most effective development NGOs (see for details e.g. Brown & Korten 1991, Isomäki 1997). In Nepal, the development-oriented modern NGO sector is growing after the initiation of multiparty democracy in 1989 (Hossain 1998a, 109). Bangladesh and Nepal have been chosen also because they have been the target country for NGO assistance from all four Nordic countries.

## **Donor commitment and policies**

Examination and analysis of the position of the selected official donors and donor NGOs from Denmark, Finland, Norway, and Sweden has been done with special emphasis on NGO assistance carried out by the Danish

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<sup>1</sup> South Asian Association for Regional Co-operation (SAARC)

International Development Assistance - DANIDA; the Finnish International Development Agency - FINNIDA<sup>2</sup>; the Norwegian Agency for Development Assistance – NORAD; and the Swedish International Development Authority - SIDA. Their policies at home and the strength, commitment, etc. for development projects abroad, have been studied. Only Nordic agencies have been studied, because there has not been any earlier academic study of this kind, focused only on Nordic NGO assistance to South Asia. Documentation of this kind of work, aiming towards a better understanding of Nordic NGO involvement in South Asia, has largely been missing. Another reason for selecting Nordic agencies was that the research was done in Finland and it was easy to carry out field study among Nordic countries. Gathering information from the agencies has also been easy.

### **Management capacity of the operating NGOs**

To assess sustainability, an examination and analysis have been made of NGOs, and in particular their development initiatives or projects in Bangladesh and Nepal. Their management capacity has been assessed by studying and observing their organisation, local participation, e.g., scope of management and organisational factors, managerial leadership, development of organisational capabilities, etc. Their present administrative capacity has been analysed and assessed. However, the concentration was on the notion of sustainability in their development programmes. As stated above, the notion of sustainability in this study comprises facts and realities from the project's host or target country, and from the donor or donor country, and facts and realities from the operating NGOs themselves. This is why the mode of inter-connectivity and interdependence has been considered. Therefore, NGOs receiving assistance from the selected Nordic donors of this study have been intensively studied among other NGOs in Bangladesh and Nepal.

Factors believed to affect sustainability have been studied and analysed, i.e., government policies; management, organisation and local participation; finance, technology; socio-cultural influences; environment and ecology; the external economic and political context within which a project must operate; etc. (OECD 1989). The local theoretical perspective of NGO activities from literature by local intellectuals in Bangladesh and

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<sup>2</sup> The Ministry for Foreign Affairs of Finland no longer uses the abbreviation FINNIDA but the whole written name: Department for International Development Cooperation. The term 'FINNIDA' is still used here in this study for convenience.

Nepal has been referred to and analysed. The complex notion of sustainability was approached from the donors' points of view, recipients' points of view and the operating NGOs' points of view. Sustainability of development projects; poverty-stricken developing states; and the prospect for comparative advantage of NGOs in ensuring sustainability have been analysed in light of theories of administrative science – development administration, in particular. In addition to the theoretical analysis, the practicalities of NGO-functioning in global aid and in Bangladesh and Nepal in particular have been highlighted.

### **Research questions**

Of the above-mentioned three aspects in this study (environment in the target country, donors' policy, and the capacity of NGOs), each contains the central questions of the research. The research has been trying to find and analyse the issue of sustainability by keeping the following general questions in mind:

What roles do NGOs play in development? What is the relevance of NGO work in development? Are there any comparative advantages in NGO work when weighed against official assistance to developing countries? Why do the NGOs not perform well? How can they develop themselves as a permanent and competent actor in development? How sustainable are their projects compared to public, private, and traditional institutions? Is the work environment where the NGOs are working supportive to the sustainability of their development projects? What is the position of donors in providing long-term support to the NGOs? What is their management capacity? The answer to these questions in general has been researched with special regard to sustainability in achieving development goals. Finding efficiency, effectiveness, impact, and relevance of NGO co-operation in developing countries has also been a task – however, the sustainability of NGO-led development is the central concern of this study.

### **1.2: THEORETICAL BACKGROUND OF THE RESEARCH**

The sustainability of NGO-led development initiatives is questioned in the Social Science literature from different angles. The NGO sector, in general, is facing many challenges in its development initiatives. Failing to overcome these challenges would gradually make NGO programmes less sustainable. The future key issues, implications, and challenges of

this special sector of NGOs, operating development projects in developing countries, according to Salamon and Anheier (1996, 115-131), are to: *a.* emerge from the shadows; *b.* establish legitimacy; *c.* establish meaningful collaborative relationships between NGOs and the State both in the North and in the South, and go beyond the paradigm of conflict; *d.* redesign their role in development, from agent to partner; etc. Certainly, the sustainability of NGO-led development projects is the precondition to face these challenges. Without a viable position in the changing world, it is very difficult for these organisations to face such challenges and meet the demands of their target groups. Thus the research is aimed at advancing understanding of the sustainability of NGO-led development projects, by assessing the administrative capability of this sector. The study also covers the assessment of other factors that affect sustainability in NGO-led development projects. In this regard, a brief conceptual clarification on ‘sustainability’ has already been mentioned earlier in this part, as the specific objective of the research. By summarising the OECD study (1989) and other donor policy documents on sustainability, Riddell et al. (1995, 53-59) have described sustainability as a process in NGO-led development initiatives. Theoretical understanding on ‘sustainability’, particularly sustainability of NGO-led development projects, will be discussed further in the following chapters with an aim to further justify the theoretical basis of the research.

### **1.3: METHODOLOGY AND IMPLEMENTATION**

#### **Methodology**

The study has been prepared in an *empirical* manner. Therefore, first-hand data is the main basis of the study. Data from secondary sources has been collected as well. The research is *qualitative*, rather than quantitative. But quantitative data has also been used as references, for example, when using the data from the results of other studies.

No scientific social research can be conducted purely by following only one method. The methods of social research are often inter-related, and thus inseparable in nature. In organisational analysis, multiple methods help to avoid the limitations of using only one specific method. For different parts of this study different methods have been used. The following chapter overviews show how the study has been done.

The sustainability of NGO-led development initiatives is the central point of the research. In order to address the central point properly by studying and analysing the work environment and the policy of host governments, the policy of the official donors and the donor NGOs, and the capacity of the NGOs, *six chapters* have been prepared and presented in the study. Based on appropriate multiple research methodologies for each chapter, these *six chapters* of the study have systematically been prepared.

The *first (present) chapter* gives a research description. The chapter presents a theoretical basis and gives a detailed description of the research. Methodologically the chapter clarifies different concepts and theoretically describes the research by reviewing and analysing the existing literature in the field.

The theoretical standpoint of development administration, i.e., administration in developing countries, has been presented in the *second chapter* of the study. The chapter highlights the concept of development administration, analyses the role of NGOs in development, and presents the notion of sustainability in NGO-led development projects. An extensive literature review was made in preparing the chapter. Theories of administrative sciences, development administration in particular, have been referred to. Contents have been analysed in clarifying the central concepts used in the research.

*The third chapter* presents a precise picture of NGOs in Nordic Development Aid. Special emphasis is given to Nordic NGO involvement in Bangladesh and Nepal. Thematic interview, informal discussion, a short questionnaire, document review, observation and a selected literature survey were made in preparing this chapter. Information on and from these agencies was collected throughout the duration of this study from 1993 to 1997, with a few exceptions.

An overview on NGOs in Bangladesh and Nepal has been presented in *the fourth chapter*. This chapter also analyses the Nordic assistance with a local focus and presents empirical notes on selected Nordic NGOs and their development initiatives in Bangladesh and Nepal. The chapter has been prepared by extensive literature review and content analysis. Analysis has been made on the findings of contemporary research activities in the concerned area. The empirical part of the chapter has been based on thematic interviews, informal discussion, field visits, observation, content analysis and a selected literature survey. Empirical information presented in the chapter was collected mainly from 1993 to 1998.

Two empirical case studies from Bangladesh and two empirical case studies from Nepal are presented in *chapter five*. The selected NGOs operating development projects in Bangladesh and Nepal were physically

contacted and interviewed, and related project documents have been studied and reviewed. To substantiate the study empirically, participatory rural appraisal (PRA), participant observation, interviews, questionnaire etc. methods were used when selected projects, local institutions and villages were visited in Bangladesh and Nepal. These methodologies were used formally and informally with the target groups, local government authorities, social organisations, grassroots organisations and other similar NGO project personnel from the project area.

The PRA tools used included Rapport Building, Social Mapping, Venn Diagrams, Pair-Wise Ranking, while working with the villagers in the studied areas. A Time-Trend analysis was made on different issues before and after the studied development intervention. Methodologies are further presented in detail in the chapters ahead – where the case studies in Bangladesh and Nepal are discussed.

The findings of the study are presented in the final chapter (*chapter six*). This analyses the findings of the sustainability of NGO-led development initiatives and discusses the findings from the perspective of administrative science. Based on the methodologies and findings of the previous chapters, the chapter empirically concludes the study with the relevant theoretical references.

During the whole period of the research (1995 - 2001), from time to time the achieved data and information has been updated, analysed and the writing up process has been continued. The whole exercise has been done in a qualitative way based on the possible and relevant sources.

It was important to examine the different NGO activities from the beneficiaries' point of view and with regard to the wider context of particular activities. A starting point for this was the basic realisation that the NGOs are working within a context of state, market and civil society both in the South and in the North (Vuorela, Airaksinen & Ulvila 1996, 9). The formation of civil society and its interaction with the state and the market are different in Southern societies than in Northern societies. In countries like Bangladesh and Nepal, civil society tends to be a vast ensemble of constantly changing groups and individuals whose only common ground is their exclusion from the State, their consciousness of their externality and their potential opposition to the State. (Chabal 1992, 83) Understanding the nature of the State - market - civil society relation from the perspective of the beneficiaries requires that a national framework be combined with a local focus. The study also tried to cover these particular and broad issues in the NGO sector in Bangladesh and Nepal.



## **Implementation**

The present study is a continuation of my previous research work, 'Administration of development projects by Nordic and local Non-Governmental Organisations: A study of their sustainability in the South Asian states of Bangladesh and Nepal', which I completed in 1998 at the University of Tampere. The present study was carried out as part of the research project 'NGOs in Development', led by Professor Juha Vartola in the Department of Administrative Science, University of Tampere. The Academy of Finland financed the project. The concerned team of the Department of Administrative Science at the University of Tampere carried the responsibilities of planning, directing and implementing the project. Scholars from the Department of Public Administration, University of Dhaka, Bangladesh and from the Central Department of Public Administration, Tribhuvan University, Nepal, were equally participating in conducting the research in Bangladesh and Nepal.

### **1.4: LIMITATIONS OF THE STUDY**

The organisational landscape of NGOs is large. Development NGOs are a small part of this NGO landscape. Apart from this fact, Development NGOs are also a heterogeneous group of organisations involved in development activities in the disadvantaged parts of the world. Each NGO is unique with its environment, strategy, structure, process, projects, programmes, missions, and with its development initiatives. The work, objectives, area and nature of these NGOs vary greatly. South Asia's development scenario has some common elements and is shared by most of the States in the region. The guiding principles of development aid among the Nordic states also have some common elements. However, the findings of this study should not be generalised too broadly. It could be claimed that the problems and prospects identified in this study exist, more or less, in the whole NGO sector involved in development in general, regardless of differences among them. However one should still be cautious in generalising the findings.

It has already been mentioned that no scientific social research can be conducted by using one method alone. The methods of social research are often interrelated, and thus inseparable in nature. In organisational analysis, multiple methods help to overcome the limitations of using only one specific method. The selection of designed methodology is a complex task, the results of which are seldom perfect – thus some methodological weakness might be found. Implementation of the selected

methods, e.g. PRA, while carrying out field studies, is challenging work. Thus 100 per cent correctness can hardly be claimed with the PRA results. However, the research methodologies were carefully conducted, with a view to maintaining *value neutrality*, so that the perspectives from the field could be reflected in the study.

The central standpoint of theories in administrative science, e.g., classical, neo-classical and modern, is basically aiming at the administrative efficiency of organisational actions. This administrative efficiency could be enhanced by ‘specialization of the task’, by establishing ‘hierarchy of authority’, by ‘limiting the span of control / hierarchy to a small number’ and by ‘grouping the workers for purposes of control’. (Simon [1946] 1992, 150) Traditionally, in administrative science, there exists little space to analyse and justify normative values, e.g., a moral dilemma of launching certain (development) intervention and initiatives. For example, the use of NGOs in development management could not be questioned by employing traditional administrative science theories – rather the mission of the science would be finding the efficiency and effectiveness of these organisations. Other fields like Sociology, Anthropology, Political Science, Philosophy, History, etc. could be free from this limitation of administrative rationality. Discussion on ‘Normative Theory in Public Administration’ appears in the texts produced by Michael M. Harmon. Harmon stated that public administration ‘theory must accommodate the values and motives of individual public administrators to theories of administrative responsibility’ and ‘the essential congruence of administrative freedom and political freedom must be recognized’. (Harmon 1971, 179) At the same time the ‘New Public Administration’ states that traditionally ‘the rationale for Public Administration is almost always better (more efficient or economical) management. New Public Administration adds *social equity* to the classic objectives and rationale.’ (Frederickson [1971] 1992, 369) Dennis F. Thompson further discussed administrative ethics. He presented ([1985] 1992, 523- 532) ‘the ethic of neutrality’ and ‘the ethic of structure’ and concluded that somehow administrative ethics is possible – ‘but understanding why administrative ethics is possible is a necessary step not only toward putting it into practice but also toward giving it meaningful content in practice.’ All this value and ethic-oriented discussion is limited to the functioning of the bureaucracy (organisations) and the bureaucrats (administrators).

Despite this limitation of public administration theories, administrative science does not exclude the ongoing development of theories in other sciences—what could interchangeably be shared. The theoretical development of public administration in developing countries

from the 1950s through the 1980s shows that science takes its shape according to the need of different societies in different parts of the world. This theoretical development of administrative studies in the developing world is well known as Development Administration (see e.g. Siffin 1991; Jreisat 1991; Riggs 1978, 1977 & 1977B). Post-Second World War theory development in Social Sciences, including administrative science in the wealthy countries in Europe, America and Australia, might have developed in a different fashion than that of the theoretical development in the South (usually in poorer countries). Certainly it has its own historical reason. This particular study in administrative science could not follow, in all respects, the best-known Western administrative science theories – rather the study is having its foundation grounded in the concept of Development Administration. Therefore, the study should be viewed with a broader view of the subject matter i.e. administration, development, NGOs, foreign policy, world economy, developing countries, etc.

The word development ‘initiative’ in this research refer the words ‘programme’ and ‘project’ – although they are often used interchangeably in discussions of development and development assistance. The words might not always be synonyms but the distinctions between them can still be overdrawn. (OECD 1989, 14) Still, project orientation often dominates because donor agencies tend to design and promote pilot projects, limited-area projects, etc. (Paul 1986, 13). In the present study development projects and programmes should be understood as ‘development initiatives’. The justification of this argument is that, in case of NGO-led development initiatives the different stakeholders could practically view the same project in different ways. Some NGOs have only one project with several service components—what conceptually and practically they cannot isolate from the whole organisation. Thus what is organisation to them—that is project to them. Some NGOs have several projects with different donors with one service component or integrated and compact components—which is understood and operated as a project by them. International donors support projects in different countries—which they understand as country projects e.g. India-project, Kenya-project, etc. in their own organisational and operational system. The same project might be understood e.g. by the Indian or Kenyan counterpart organisations as something more than a single project. Another donor involved in the same project might define it differently. The study is not aiming at the terminological and conceptual classification of projects, programmes, integrated rural development projects (IRDP), pilot projects, etc. A separate study could contribute a better conceptual and systematic

understanding of the area. The present study defines development projects as development initiatives—which recognises all these development interventions by different stakeholders.

Bangladesh and Nepal gives a representative model of SAARC member countries in South Asia. After considering South Asian history, culture, geography, topography, economy, etc. and NGO involvement—these two countries have been selected for this research. Approximately one fifth of the world population lives in SAARC countries in only 3.31 percent of the whole landmass of the world. (Siddique 1992) Thus, the representation might not be exact but still could be considered reliable. Another reason for this selection of Bangladesh and Nepal was the researcher's early involvement (including language, culture, etc.) in these two countries. In its discussion on the donors, although the study excludes Iceland from the Nordic countries studied, this is not meant to imply that the co-operation work with Iceland is irrelevant. Iceland is not covered in this study because of the physical distance from Tampere, where the research was carried out. Economic constraints were a limiting factor in this regard. Apart from this, the other four Nordic countries were equally covered in the study—which can, therefore, be considered as 'Nordic'.

Apart from the theoretical parts, the information provided has an empirical basis. Yet some agencies and persons have been very cautious in providing important information — at least concerning such information as could have a long- or short-term effect on their career or on the careers of their colleagues. Some of them denied the request for information. However, it should be understood that the study has been made totally with an academic intention—thus it should not have any personalised effect on any person or agency that co-operated in any form in making this study successful. If any inconvenience arises to any person or agency from any part of this study, it has certainly been unintended. No part of this study should be misused or misinterpreted by any person or any agency. The study has been made only to generate and promote academic understanding of the functioning of Development NGOs in the world development context.

## **1.5: THE STRUCTURE OF THE STUDY**

The present study has *six* chapters. *Chapter 1* gives research descriptions, which includes background, aims, objectives and research questions. The chapter also presents a theoretical basis for the research and gives a detailed description of the research methodologies used in this research

as well as describes how the study has been implemented. In addition, this chapter gives the structure and limitation of the study.

*Chapter 2* discusses the theoretical standpoint of administration in developing countries with a remark on ‘development administration’ as a concept. The chapter highlights the conceptual issues of NGOs in development. Analyses have been made on the dynamics and drawbacks of NGOs, aiming to identify the theoretical basis of NGO research. The chapter aims to clarify the notion of sustainability in development projects. A definition of sustainability is presented. The views of the OECD donors concerning sustainability are analysed in the chapter. A note is presented on NGOs as organisations and the sustainability of their projects.

*Chapter 3* presents a precise picture of NGOs in Nordic Development Aid with a historical perspective—with special emphasis on Nordic NGO involvement in Bangladesh and Nepal. The chapter includes information on each country individually.

*Chapter 4* provides an overview of NGOs in Bangladesh and Nepal. This chapter also analyses Nordic assistance with a local focus and presents empirical notes on selected Nordic NGOs and their development initiatives in Bangladesh and Nepal.

The empirical part of the study is presented in *Chapter 5*. Two empirical case studies from Bangladesh and two empirical case studies from Nepal appear in this chapter. The sustainability of NGO intervention is analysed thoroughly with empirical findings in each of the four case studies.

*Chapter 6* analyses the sustainability of NGO-led development initiatives and discusses selected issues from the perspectives of administrative science. The chapter makes brief notes on the role of the recipients (countries), the donors, and on the NGOs in ensuring the sustainability of their development initiatives. The chapter ends with a conclusion on the findings of the whole study and gives insight into the future direction of NGO research by referring to other scholarly works that highlight the need for further systematic study on this aid channel.

## **2.0: DEVELOPMENT ADMINISTRATION, NGOs, AND THE SUSTAINABILITY OF NGO-LED DEVELOPMENT INITIATIVES: A THEORETICAL FRAMEWORK**

### **2.1: THE STUDY OF NGOs IN DEVELOPMENT ADMINISTRATION**

#### **Development Administration: definition and concept**

‘How does the study of development administration differ from the study of public administration in general, or even from the study of comparative administration? No clear answer to this question can be given...’ (Riggs 1977, 3). Traditionally the study of ‘development administration’ has been viewed as part of the study of public administration.

Development administration refers to the administration of development programmes, to the methods used by large-scale organisations, notably governments, to implement policies and plans designed to meet their development objectives. A second meaning associated with the term ‘development administration’ also involves the strengthening of administrative capabilities. (Riggs 1977, 6) Thus the term ‘development administration’ refers to organised efforts to carry out programmes or projects thought by those involved to serve developmental objectives. (Riggs 1977B, 73)

Development administration, like the public administration of which it is a part, is a subject matter in search of a discipline. There is no embracing theory of development administration, or of institution building. Indeed the term ‘development administration’ is not conceptualised in any precise and generally accepted fashion. Siffin argues that the label identifies a loosely sensed interest, which exists because some people deem it important. Its significance does not depend upon a paradigm or a systematic array of theoretical knowledge. He further presents, true, many of our particular concerns with public administration’s quest for good theory. It is equally true that there is no widespread agreement on the theoretical centre and boundaries of the field. There is more agreement on the premise that ‘development administration’ is part of the subject matter of public administration. (Siffin 1991, 6) Hussain (1994, 13-14) gives a comparative view of ‘public administration’ and ‘development administration’:

**Table 1:** Comparative view of ‘public administration’ and ‘development administration’.

PUBLIC ADMINISTRATION	DEVELOPMENT ADMINISTRATION
Public Administration looks after the public policy at large including law and order and other services like health, housing, sanitation, etc.	Development Administration is a branch of Public Administration.
Its structure is centralised with top-bottom hierarchy. Bureaucracy is its modus operandi and rules are mostly rigid and non-flexible.	It actively revolves round targets and widens up to villages (lowest level of habitations).
People’s participation is not binding and imperative.	Its implementation needs technical and trained personnel rather than traditional bureaucracy. It calls for flexible rules and regulations.
This is continuous and never ending.	It is occasional and activity ends when the target is achieved.

Hussain’s above comparative view of public administration and development administration reflects good understanding. However, his claim that ‘development administration is occasional...’ is arguable and cannot be theoretically justified.

*The Functions of Development Administration*

Hussain (1994, 10) further identifies some of the basic functions of development administration as follows:

- To formulate long- and short-term plans with defined goals (economic targets) with cost estimates.
- To evolve the mechanism for preparation of programmes / projects and their approval, implementation and monitoring and in doing so to identify the extent of government intervention in a normal administration system for successful implementation of the planned objectives or goals.
- To identify areas for the State's direct investment in manufacturing facilities, expansion of education, health, housing, transport and communication and participation of the public in government projects as well as in their project planning and problem-solving to cope with various environmental issues.

### **The scope of the study of Development Administration**

At the primary stage, development administration as a term was trying to distinguish the focus of administration on the support and management of development from the administration of law and order. (Gant 1979, cited in Siffin 1991, 7) Gant suggested that the function of development administration is to assure that an appropriately congenial environment and effective administrative support are provided for the delivery of capital, materials, and services where needed in the productive process – whether in public, private, or mixed economies. He envisioned a subject matter parallel to ‘development economics’, and was not at all troubled by the conceptual, theoretical, and empirical differences between administration and economics. Nor have been most of the scholars and practitioners who since 1955 have laboured in the towers and vineyards of ‘development administration’. If there is some grand problem of development administration, it is not the problem of failure to achieve a paradigm, or to cloak the ‘field’ in the shining garb of systematic, comprehensive theory. When it comes to the establishment of a field grounded in sound and powerful theory, it appears that George Gant was not far off the mark in drawing a parallel between development administration and development economics. (Siffin 1991, 7)

Siffin (1991, 8) comments on the problem of development administration, that there really isn't much of a problem, inasmuch as there isn't much of a field. Development administration is a term that implies a question: How can the ideas and mechanisms of public administration be used as instruments of social and economic development?



The focus for an agenda of development administration ought to be a very general question: How do administrative things work, under conditions of uncertainty, when the objective is to foster some sort of development? (Siffin 1991, 11)

Siffin seems escapist about development administration, as in his view it is committed to involvement in matters outside the boundaries of conventional public administration. He describes, for example, the business of planning and managing rural development, a subject whose large and varied literature demonstrates the entwinement of administrative knowledge with applied science and information about particular socio-economic environments. There are also health delivery, family planning and population control, environmental protection, transportation and communications, and other matters of infrastructure development and maintenance. Administration is intrinsic to all these fields, in addition to the old standbys of budgeting, personnel, and management. What a fascinating mess, all of it present (or absent) in a congeries of cultural and political settings! (Siffin 1991, 11-12) In addition to these presentations of large areas of development administration, he suggests to adopt a Public Policy perspective to simplify the complex formation of development administration.

Jreisat (1991, 19) is more optimistic about the concept than Siffin. He points out that after more than four decades of research productivity, theoretical integration and practical relevance are more pressing concerns for assessing the contributions of comparative and development administration. He further points out that satisfaction of these criteria requires informed application of conceptual frameworks to the real administrative processes and their effects on organisational performance. Reactions to the perceived shortcomings of comparative and development administration attempt to extol the advantages of one conceptual scheme or another to remedy deficiencies and improve the standing of the field with academicians as well as practitioners. Two orientations have been particularly prominent among recommendations that name substitutes, propose extensions, or suggest improvements of comparative / development administration: program / project management, and policy analysis. (Jreisat 1991, 20) In addition to these notes, he also claims that comparative and development administration offers a rich heritage of scholarly contributions that include studies of numerous countries, cultures, organisations, and groups. Public administration as a field of study is in the forefront of advocative values of participation, equality, and

justice in dispensing public policies and outputs to the society. Not only public administration or comparative and development administration, but also other fields of social science are facing problems with their conceptual frameworks. Comparative and development administration concepts need validation and integration, governed by the quality and reliability of information used in the comparative organisational analysis.

Katz (1977, 120-121) has, rather, identified the borders between development administration and public administration. He argues the fact that development administration is similar to traditional public administration in its concern with how a government implements its rules, policies, and norms. In his opinion, development administration differs in its objectives, scope, and complexity from traditional public administration. According to him, 'development administration is innovative, since it is concerned with the societal changes involved in achieving developmental objectives. In its quest for change, the government becomes concerned with a wide scope of activities. No longer is it limited to the maintenance of law and order, the provision of some limited public services, and the collection of taxes; rather, it is specifically involved in the mobilization of resources and their application to a great variety of development activities on a massive scale. Following from the greatly increased scope of activity are the widespread functional and structural differentiation of government and the consequent emergence of many interdependent, highly specialized activities which require a high degree of coordination.' He adds that 'the administrative functions of decision, specification, communication, and control may take different forms in development administration as compared with traditional public administration.' He also presents the idea that the feedback circuit is strong in development administration, whereas the feedback characteristics are weak or lacking in public administration. In addition to these differences, he also adds that 'the distinction between public administration and development administration suggested above is subject to some disagreement. It is sometimes claimed that modern public administration has the purpose and characteristics ascribed to development administration.'

Despite all these analyses and arguments, it is obvious that the context and scope of development administration is very central to administrative science studies, the subject widely known as public administration. The concept emerged in the post World War II era of nation-building and administrative reforms of post-colonial states in the developing world. The concept often refers to 'the two fields of *public administration* and

*development*, which can be combined under the heading of “development administration“ or administrative aspects of development. (Riggs 1978, 1, italics added)’ Since its inception, the concept of development administration has mainly been employed in studying ‘administration’ and ‘development’ in developing countries.

### **The rise and fall of the concept ‘Development Administration’ in the study of public administration**

The intellectual context within which development administration emerged was rooted in a fortunate set of pragmatic concerns. Woodrow Wilson's benchmark essay of more than a hundred years ago was inspired by a problem and an insight – the problem of integrity and effectiveness in American public administration. This led him to consider the possibility of mating a model – and some of the reality – of Prussian bureaucracy with the theory and practice of Constitutional government. Some decades later Leonard D. White produced the first widely used American textbook in the field. Writing well before the work of Max Weber was discovered in the United States, White followed the Wilsonian perspective in his claim that ‘the study of administration should start from the base of management rather than the foundation of law’ (Swerdlow 1975, cited in Siffin 1991). This viewpoint laid a base for the developments of the past half-century, during which public administration assimilated and absorbed achievements of the social sciences and confronted the issues of philosophical theory posed by such scholars as Vincent Ortrom (1973). (Siffin 1991, 6-7)

Development administration came along in the 1950s. The term was first used by George Gant to conceptualise the nature of the administrative research and training programme contemplated for the Academy of Rural Development established subsequently at Comilla in East Pakistan (now Bangladesh) and for the similar academy at Peshawar in West Pakistan. (Siffin 1991, 7)

Professor Riggs (1977, 3) gives the insight that the Comparative Administration Group (CAG) of the American Society for Public Administration (ASPA) played a significant role in the emergence of the concept of development administration in the 1960s. Administrative problems of the developing countries were a significant concern of their comparative study of public administration. Riggs and his CAG were blessed by the Ford Foundation (Handerson 1971, 234) – under the auspices of comparative studies of national public administration,

development administration came up as an independent concept of public administration studies in developing countries.

One significant change in the 1967 version of U.S. AID administrative doctrine, as embodied in the agency manual, is the emphasis on 'development administration', curiously without once using that popular term at all. (Abueva 1969, 554)

Development administration is most often treated as a facet of comparative public administration. In his most widely used book 'Public Administration: A Comparative Perspective' (1966) Ferrel Heady focused on public bureaucracy as it exists within different types of political systems. He sketched five general features of public administration in developing countries, and carefully examined the interplay of bureaucracy and politics. (Siffin 1991, 8) Under the auspices of the National Association of Schools of Public Affairs and Administration (NASPAA) and the U.S. Agency for International Development, Professor Richard W. Ryan analysed the contents of about 40 courses on development administration and comparative administration offered at 27 American universities during the 1980s. (Siffin 1991, 7)

During the 1970s, administrative reform in developing countries was an influential catchword (Siffin 1991, 9) – which was usually understood as a subject matter of development administration. However Hussain (1994, 11) argues that developing the capability of bureaucracy did not help much. Training imparted to bureaucracy did not correspond to the needs of the particular country because training techniques and contents remained Western or American. The economists emphasised growth models and the bureaucrats emphasised bureaucratic reforms – both ignored the clients and the contemporary environment. Thus development, in reality, bypassed the people for whom development was intended. Therefore, the approach of administrative or bureaucratic reform was disappointing. The second approach of massive public investment to increase the GNP / GDP per capita also ignored equitable distribution of goods, income and benefit. As a result, poverty, illiteracy, unemployment and inequalities remained virtually unchanged in the developing countries. More recently, the emphasis of development administration has shifted towards de-bureaucratisation and participatory style of management, by decentralisation and by reaching target groups through services, information and inputs, by strengthening the local government and other grassroots organisations, e.g., NGOs. Local participation in planning, implementation and integration, by taking into account the socio-political,

economic and environmental conditions, got priority in development administration. In doing so, external assistance was utilised and the developing countries became aid-dependent in fulfilling these basic needs of the poor. International aid created more space for NGOs and multinational companies to get into the development management of developing countries.

The mission of public administration in developed countries reached a different stage. In the 1980s 'privatisation' got labelled as the subject matter of public administration (Siffin 1991, 9) – which covers a limited sphere of the organisational landscape in developing countries, as compared to the developed world. The best-known forums of public administration like the Minnowbrook I (in 1968) and II (in 1988) were concentrating their theoretical focus on US administration and suggested reforms in that. The 1968 theoretical discussion was mainly on 'ethics, social equality, human relations, reconciling public administration and democracy, and concern for the state of the field. However, several 1988 themes were not as prominent in 1968, notably leadership, constitutional and legal perspectives, technology, policy, and economic perspectives.' (Frederickson 1989, 100) Thus the discussion naturally was far from the central concerns of public administration in developing countries. Due to the widening gap between the economies of rich and poor countries, over the decades the operational landscape of organisations had become complex. As a result 'development administration' was left behind on the journey of public administration sometime in the 1980s – although the subject matter of development administration is not a separate discipline from public administration.

### **The study of NGOs and Development Administration**

There is more agreement rather than disagreement that the concept of 'development administration' got started in the 1950s as part of the study of public administration. (See e.g. Siffin 1991; Riggs 1977) Development NGOs became mainstream actors in the national development (management) of developing countries only around the 1970s – in some countries, e.g., in Nepal, only in the 1990s.

The pro-NGO literature tries to justify the idea that traditionally the NGOs were already rooted in different countries of Asia, Africa, Latin America, and other parts of the developing world. (e.g. Korten 1991, 26-29) But the academic world should understand that there is a high degree

of difference between Mahatma Gandhi's good work for the poor in the 1920s and 1930s in Asia and the present-day donor-funded development NGOs. Modern-day donor sponsored development NGOs are very different from the traditional village self-help associations in Africa, and the mid-1960s Catholic Church in Latin America. No doubt, the good values of traditional philanthropic organisations were also adopted by the modern development NGOs. However, linking up the modern NGOs with such traditional services confuses the development readers about the growth of this emerging sector, which began only around the 1970s in the developing world.

NGO studies in the development aid literature are comparatively recent, beginning mainly in the 1980s with its focus on the developing part of the world. On the other hand, public administration research was gradually losing its interest in the concept of development administration in the 1980s. This is so, as already mentioned, because throughout the 1970s public administration was more aimed at 'administrative / local government reforms' of national governments. During the 1980s public administration, as a discipline, was aiming more towards theorising concepts like privatisation, public and private management, bureaucracy, public budgeting, aspects of public service, administrative ethics, and further some issues like intergovernmental relations. (see e.g. Shafritz & Hyde 1992, 455- 550)

Therefore, as an independent discipline, public or development administration has very little focused on study of development NGOs. Until recently there has been a scarcity of administrative science research focused on development NGOs. The other approach of administrative science in studying NGOs, i.e., studies on 'non-profit' or 'third-sector' organisation perspectives in developing countries, is not yet developed. 'Compared to the more developed countries, the non-profit sector in developing countries is typically considerably more complex and diverse, but also far less understood. According to popular stereotypes in the West, philanthropy is essentially a Western phenomenon associated with the Judeo-Christian tradition and therefore far less prominent in other cultures or religious traditions. In fact, however, rich philanthropic traditions are evident in virtually every major religious culture – in the Islamic concept of *Zakat*, in the emphasis on voluntarism in precolonial India, in the charitable culture of the Buddhist monasteries, and the Akan culture of western Africa (Salamon & Anheier 1996, 104.105)'. Despite the scope for scientific research in this area, research on the non-profit or third-sector has remained largely unaddressed.

Development administration has a much wider scope to study the growing NGO sector in world development. The theoretical development of development administration especially in the 1970s gives wider room for this kind of research. But in reality, the focus of development administration in the 1970s was on administrative reforms in developing countries. The focus of public administration, in general, was also on themes like evaluation, implementation, representative bureaucracy, budgetary reforms, etc. issues with Western focus. (see for details Shafritz & Hyde 1992, 357- 425)

As a matter of fact, the study of development administration ‘refers to organised efforts to carry out programs or projects thought by those involved to serve developmental objectives (Riggs 1977B, 73)’ – and NGO research could have been very central to this broader scope of the science. The study of NGOs has direct relevance to Riggs’s concept (1977, 87-95) of ‘Social Organization and Development Administration’, although NGOs were absent from his domain of presentation. Both factors, i.e., the rise of NGOs and the fall of the concept of development administration in the 1980s, have created a gap to study the NGO sector from an administrative science perspective. Therefore, this generation of administrative science researchers have the scope to update the almost forgotten concept of development administration and strengthen NGO research in administrative science studies. The NGO concept possibly emerges as a strong component of development studies, but one might also see its relevance with other branches of administrative science such as development administration. In fact, in the present context, development administration deals with the processes in which public and non-profit organisations make their contribution (sometimes in a supplementary manner) to social change, modernisation and economic globalisation.

## **2.2: CONCEPTUAL ISSUES OF NGOs IN DEVELOPMENT**

### **Changing patterns of development co-operation: conceptualising Non-Governmental Organisations in development**

After the Second World War, Western governments have been strongly involved with developmental activities in developing countries. Initially these activities were mostly organised by the individual governments themselves, through their own governmental agencies or through the governments of the recipient countries. Alternatively the activities were

organised through international intergovernmental organisations — like United Nations Development Programme (UNDP), UNESCO, UNICEF, World Health Organization (WHO), or the World Bank.

After the early years, characterised by what today can be called unrealistically high hopes and aspirations, it became gradually obvious that developmental activities are not easy to organise and manage. In many cases, developmental operations targeting the modernisation of the recipient countries proved to be much less effective than predicted. Instead of success, there were often unexpected setbacks, embarrassing mistakes, and failures. This, among other reasons, led Western countries to seek deeper understanding of developmental activities, and to seek better ways to organise and manage their developmental aid.

### **Changing patterns of co-operation**

Since 1970, many of the donor countries have recognised the importance of certain types of non-governmental, non-profit-seeking organisations to development co-operation. In the new situation these organisations — widely called either non-governmental organisations (NGOs), private voluntary organisations (PVOs), or non-profit organisations (NPOs) — are recognised as important ‘new’ partners in development activities. Instead of using only governmental agencies (i.e., public sector or public bureaucracies), on the one hand, and private, profit seeking corporations (private sector) on the other, many of the donor countries have started to rely more and more on these ‘newly recognised’, ‘alternative’, or ‘third’ types of (third sector) organisations. In development co-operation they are used in various different ways, to fulfil numerous separate functions (see e.g. Korten 1990, Part 3; Carroll 1992, Ch. 1). Sometimes they are used as go-betweens to channel funds from donor governments and countries to local individuals, groups, or organisations working in the recipient countries; and sometimes, they are used as local or international operators through which developmental activities are launched and carried out even at the grassroots level.

Due to the increasing recognition and use of non-governmental, not-for-profit organisations as important partners in development co-operation, the international scene of Third World development administration has faced several important changes. From the *organisational or institutional point of view* the new situation can be characterised by three closely linked developments: (1) increasing institutional fragmentation, (2) increasing



functional specialisation, and (3) increasing organisational interdependency between the various institutional actors. Moreover, from the *managerial or administrative point of view*, the changing situation can be characterised by (1) an increasing need to achieve co-operation among the different organisations, (2) increasing complexity in organising (or achieving) this co-operation, and as a result (3) increasing stress on a new managerial concept: management of co-operation among organisational networks.

*Increasing institutional fragmentation* is caused mainly by the increasing number of organisations working in the field of Third World development. Many of these, especially among the ‘new’ organisations, are small and voluntary. And many of them are working at the grassroots level either in donor countries, to collect support and funds, or in recipient countries — for example to initiate, organise or fund a certain special type of developmental activities (i.e., to work as a catalyst, organiser, or funder) or to provide services (i.e., to work as a service provider). Sometimes a clear conceptual division is made between non-governmental, not-for-profit organisations working within the donor countries, called Northern NGOs, and NGOs based in the recipient countries, called Southern NGOs (e.g. Smillie 1993).

The second developmental trend, *increasing functional specialisation*, is caused by the changing division of labour between different organisational actors. The fact that many of the ‘newly recognised’, ‘alternative’ organisations are small, means that in most cases they are not able and, often, are not even attempting to solve large-scale developmental problems. Instead, they are concentrating their efforts on more specific and more reachable tasks and goals. Instead of serving ‘everyone’, or doing ‘everything’, they are trying to specialise in serving certain more specific (i.e., narrower) target groups or in solving certain more specific problems. From the institutional point of view, this means that the division of labour between different institutional actors is now more complex and more fine-grained than earlier. This situation is furthermore complicated by the fact that along with the funds received from governments, most non-governmental and not-for-profit organisations are expected to seek also other sources for funds. Consequently also their funding arrangements and fiscal responsibilities have changed to become more complex.

Along with institutional fragmentation and functional specialisation, the third important developmental trend is the *increasing organisational interdependency* between the various institutional actors. Due to the two

already mentioned trends, developmental activities are increasingly organised and managed not inside one or two organisations or inside a clearly defined, simple chain of organisations, but through a complex network of organisations, all fulfilling their special tasks and functions. In this type of situation the success or failure of the development activities is more and more often determined, not by the success or failure of an individual organisation, but by the success or failure in getting these different organisations — with their individual interests and needs — to work together in productive and coherent ways. By working together, small, specialised, voluntary organisations are able to overcome many of their individual limitations (e.g. of size and funds) and to achieve better results.

Thus, from the managerial or administrative point of view, we can say that in the new situation there is ***increasing need to achieve co-operation among the different organisations***. Achieving co-operation between the different institutional actors, representing different countries, different cultural backgrounds, and different political, economic and social interests, is now more than ever the essence of the success or failure of the modern developmental work. Unfortunately, due to the previously described institutional developments, to achieve this co-operation — i.e., to solve the managerial problem<sup>1</sup> and to implement its solution — is now not only more important but also more difficult to achieve than ever.

In order to better understand issues and problems concerning the management of modern development co-operation, ***increasing attention should be paid to*** emerging new ideas and conceptions of network management. Thus, from the managerial point of view we can say that the ***management of co-operation among organisational networks*** (cf. Kramer & Tyler 1996; Uzzi 1997) — or, using another language, the management of co-operation among inter-organisational fields (cf. Warren 1967) or organisational communities (cf. Astley 1985; Astley & Fombrum 1983; 1987) — is now more than ever the essence of the management of developmental activities.

From this new managerial perspective, co-operation between the various organisational actors should be organised, among others, on the basis of

- long rather than short-term commitments,
- continuous exchange of information (instead of hiding it),
- encouraging mutual co-existence and support (instead of

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<sup>1</sup> The managerial problem is: how should scarce resources be organised to achieve the best possible results.

- competition),
- stressing empowerment and participation instead of domination,
  - stressing mutual learning and joint problem-solving, and
  - encouraging trust and trust-based social relations both between and inside organisations.

Incidentally, all of these issues are increasingly discussed also in the recent social science and management literature (cf. Gambetta 1988; Coleman 1990; Putnam 1993, ch. 6; Fukuyama 1995; Kramer & Tyler 1996; Harisalo & Miettinen 1997).

As pointed out in this literature, without trust, the need for and cost of continuous monitoring and control of each other's activities inside the organisational networks will increase, and finally the costs and efforts will become so high that organisational networks are bound to break down. Thus, *creating and maintaining trust* is one of the key ideas for success or failure of the management of co-operation among the organisational networks. To achieve this we may need to get rid of the common assumption, that competition is the desired and normal state of existence between organisations. Instead of competition and rivalry we should seek out the forms and means of coexistence and symbiosis, often based on mutual self-interest.

### **Problems with current knowledge**

Even though the role and impact of the non-governmental, not-for-profit organisations in developmental work is increasingly recognised (see e.g. Rice 1983; and Masoni 1985), and even though the research interest towards them is continuously increasing<sup>2</sup>, the theoretical knowledge concerning the nature and role of these organisations is still not yet well developed. As pointed out by several previous scholars (e.g. Anheier 1990), the literature is full of questionable beliefs and doubtful generalisations concerning the potential merit, role and impact of these new organisations as compared to the traditional governmental agencies or private corporations.

Furthermore, what seems to be even more troublesome is the *lack of theoretical interest*, to study, in a comprehensive and systematic way, these organisations, their various types, functions and rationalities, their networks, and their complex interactions within themselves and with other

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<sup>2</sup> Among the most important recent works in this area are Anheier & Seibel 1990; Korten 1990; Carroll 1992; Edwards & Hulme 1992; 1995; Smillie & Helmich 1993; Hulme 1994; and Smillie 1995.

organisations working in the field of Third World development. This type of research should be based both on theoretical thinking and empirical analyses.

Although several important steps toward a more comprehensive and more theoretically motivated knowledge have recently been taken (e.g. Anheier 1990; Korten 1990; Carroll 1992; and Smillie 1995), the current state of knowledge is still far from satisfactory. More effort is needed to:

- collect both empirical and theoretical information on NGOs,
- systematise and scrutinise this information,
- find its strengths and weaknesses and fill the gaps,
- theorise, i.e., to create frameworks, models, and hypotheses based on the available information,
- evaluate and test this emerging knowledge, and
- refine the theories, models, and frameworks so as to gain an even greater theoretical understanding of the subject matter.

Without more profound efforts towards theoretically oriented, systematic and comprehensive research, there is no reason to expect any dramatic change in the current lack of theoretical knowledge concerning NGOs in Third World development. And without this knowledge it is more than likely that we, as persons both in North and South, will continue to fail — or, at least, we will continue to miss important opportunities — in our attempt to understand and manage the increasingly complex networks of development co-operation.

### **Need for conceptual clarification**

One major hindrance to a better theoretical understanding of the field of developmental activities is the *lack of conceptual and terminological clarification* concerning the nature, types and roles of various developmental organisations — whether they are governmental or non-governmental, profit seeking or non-profit seeking — and their complex interactions within themselves and with other actors. In the theoretical literature, for example, the concepts that are used to understand these organisations, and the terms used to communicate this understanding to others, are often used in unsystematic and confusing ways. At least the following types of conceptual and terminological problems emerge:

- 1) ***Cross-use of incompatible concept systems.*** From different cognitive (i. e., theoretical) perspectives, the same empirical world of development organisations may be conceptualised differently. This means that different scholars working on this area may use different concepts and concept systems to group organisations together according to their important similarities and dissimilarities. What is important, and what is unimportant, is a question defined by the cognitive perspective. Resulting cognitive categories (representing different cognitive perspectives) — like non-governmental organisation (NGO), public voluntary organisation (PVO), non-profit organisation (NPO), grassroots organisation (GRO), people’s organisation (PO), membership organisation (MO), civil service organisation (CSO) etc. — are often overlapping and incompatible with each other. Conceptual confusion will emerge when overlapping concepts taken from different concept systems are used together, especially when they are used without realising that they are part of different conceptual worlds.
  
- 2) ***Use of ill-developed concepts or concept systems.*** Sometimes concepts and concept systems are not well developed. Concepts are described, for example, as residuals, or they are picked up on an ad hoc basis: Concepts are picked up as they are needed, without much thought to their exact properties or to their relation to other concepts inside a wider system of super-, sub- and co-ordinate concept. The resulting conceptual systems are often problematic as (1) important concepts are not fully described (i.e., they are vague as we do not know what is their exact extension and/or intention), (2) super- and subordinate concept relations are unknown, (3) co-ordinate concepts are found to be overlapping, or as (4) there are important gaps and uncharted areas between co-ordinate concepts.
  
- 3) ***Different terms are used to refer to the same concept.*** Sometimes different scholars use the same concepts, but name (i.e., term) them differently. When one scholar speaks about NGOs, another speaks about intermediary NGOs and a third scholar is speaking about grassroots support organisations; and still they are all speaking about the same theoretical object. When this happens, communication problems and misunderstanding will easily emerge. Scholars may not realise that they are speaking about the same object but disagreeing about its proper name.

- 4) ***The same word is used to refer to different concepts.*** Sometimes different scholars use the same word or compound word (e.g., the word ‘NGO’) as a linguistic descriptor (i.e., as a term) for different concepts. When one scholar speaks about NGOs he is talking about all non-governmental and not-for-profit organisations. For another scholar the word NGO refers to a different cognitive category. As these cognitive categories are typically related to each other — they are, for example, overlapping, or one is subordinate to another — it is sometimes extremely difficult to see that different scholars using the same word are really speaking about different theoretical objects. As a result, scholars may easily misunderstand each other, or speak past each other — when one is speaking about shoes, another is talking about boots, and a third is talking about Reeboks.
- 5) ***Terms are used without description.*** Sometimes concepts are used without description. Because of this, we have little or no definite knowledge of the exact intention and/or extension of the concept or its relation to other concepts. Readers are typically assumed to know what is the meaning of the word; or otherwise it is assumed that the context of the discussion clarifies the meaning.

The fact that in the development literature different types of conceptual and terminological problems are not independent from each other but coexist, makes the confusion even more difficult to handle. Thus, what we need to cope with the situation is threefold:

First, we need ***better methodological understanding*** of the reasons for and the nature and consequences of the conceptual confusion. By understanding the problem and its background, we may be more able to use and develop our scholarly language so as to minimise the problems. Even though the total clarity of language is probably impossible to achieve, at least we may be able to increase our intentional control over these problems and thus keep them at a more acceptable level (for more detail see Mälkiä 1994, ch. 3; or 1997, ch. 3). For further information on these issues, see, e.g., Mälkiä 1995; 1997; Riggs, Mälkiä & Budin 1997; Riggs 1979; 1986; 1990; 1991; 1993; Sartori, Riggs & Teune 1975; and Sartori 1984.

Secondly, we need ***better conceptual tools*** (i.e. better conceptualisations) to clarify the nature, types and roles of the various organisational actors, their networks, and interactions in the field of Third World

development. We believe that this would be the first step towards creating better theoretical understanding (i.e., better theorising) of the issues in question, and in future to create better knowledge that would help us to manage the different developmental activities and to facilitate the organisational networks of Third World development in more effective and more productive ways.

And thirdly, we need also *better terms* (i.e. better linguistic designations) to identify the various concepts required to describe the situation. Without better terms, we are unable to maintain and communicate the important distinctions between different organisational actors and their distinctive roles in developmental activities. More understandable, unambiguous, and transparent terms are required in order to communicate our better understanding of the issues to others, thus increasing the possibilities for more structured exchange of ideas, and the possibilities for the growth of knowledge in the area of Third World development.

When this is not possible (as is often the case), at least we can be more self-aware of the potential communication problems related to our terms and term systems — including the hidden implications behind our favoured linguistic expressions — and use them with more care.

In the rest of the section I discuss these issues. But before that, I briefly sum up why this special sector of non-governmental, so-called not-for-profit organisations (or NGOs) is so important to the current scene of Third World development, and what are the basic arguments for the use of NGOs in Third World development co-operation.

### **The importance of NGOs**

One of the major reasons for the increasing use of NGOs in developmental activities is to find an alternative and better channel for development aid in Third World countries. The aim of this search is to pluralise the actors or stakeholders involved in development activities so that the ‘poorest of the poor’ could be reached more effectively, by bypassing the oligarchic state structure of most of the developing countries. Thus disappointment with, and criticism of public sector performance, in both donor and recipient countries, has had an important impact on this development. From a more general perspective, the issue is also related to the continuously declining environment of Third World development, characterised by recurrent economic crises, population growth, environmental degradation, poor agricultural and industrial production, growing corruption, bureaucratic

complexities, inadequate policies, lack of democratic exercise in domestic politics, and the politics of debt crisis in developing countries. As a reaction to this general context, the Western donor countries and agencies are seeking better ways to implement their policies by considering the comparative advantages and disadvantages of the organisations that are involved in this process.

As already pointed out, disappointment with public sector performance has played an important role in recent developments. While public sector activities continue to be heavily criticised for having contributed much to the present problematic situation in many developing countries, NGOs are receiving much credit and gaining a greater status in development work. Whereas disappointment with official government programs and projects is growing, the non-governmental, not-for-profit organisations have gained such prominence that development transfers through these types of organisations have become more or less obvious from the donors' point of view (see e.g. Anheier 1990). For example, in Norway, in the beginning of the 1990s the share of bilateral aid to NGOs was 25 per cent, with the percentage continuing to increase (Tvedt 1995, i). In the United States the government has announced that in future it is going to channel about 40 per cent of its development assistance through NGOs (United Nations 1995, 2). And, according to a recent calculation (Fowler 1992, 17), the value of total resources from NGOs to Third World countries accounts for about 15 per cent of total overseas development assistance.

In contrast to official development agencies, the non-governmental, not-for-profit organisations are believed to have fewer overhead costs, to rely less on bureaucratic procedures, and to be less subject to political constraints (e.g. Anheier 1990). Furthermore it is believed that the NGO-led projects are innovative, participatory, flexible, better directed, and more reflective of the needs of the poor in Third World societies.

### **Main arguments in favour of NGOs**

In his impressive and thorough analysis, Helmut Anheier (1990) argues that *there are actually four basic arguments in favour of the comparative advantage of NGOs* in Third World development. These are the social, economic, political, and cultural arguments:

The *social argument* comprises the idea that NGOs try to stimulate the participation of the poor and are able to reach those strata of



disadvantaged Third World societies that are bypassed by public service delivery systems. This argument attaches greater social equity to private voluntary efforts than to the public sector. Because of shortages of public funds combined with cultural and social access problems, disadvantaged populations are difficult to reach by conventional service systems — a problem which is amplified by elite influences on governmental decision-making. Thus, NGOs are in a better position to reach the poor and the disadvantaged.

The *economic argument* claims that NGOs are able to carry out services more economically than governments. In addition, as they are not seeking profits out of their actions, they usually aim at self-reliance and self-sufficiency. Just as the social argument refers to equity, the economic argument addresses the greater efficiency of NGOs. Their efficiency could be a guarantee of their operational sustainability and credibility to the donors. Greater efficiency of NGOs is largely based on a major cost advantage, which is related to both lower labour costs and incomplete pricing, i.e., not making provisions for depreciation, relying on voluntary local inputs, not including transaction costs, etc. Moreover, according to this type of argument, failures with NGO-led projects (as compared to failures with government-led ones) have much less impact on the economy as a whole, since nearly all NGO-led development projects are designed and implemented at the micro level. Governments, on the other hand, are often working at the macro level.

The *political argument* suggests that NGOs are relatively immune from changing political tides, while government policies and agencies are subject to unexpected change. An extension of the political argument refers to the ‘hidden agenda’ and ultimately political motivation of official development assistance if we consider aid as a political tool in global politics. By using NGOs as local and international operators, the problems with hidden agendas can be better dealt with. Thus, in general, NGOs are believed to be more ‘honest’ and less guided by political considerations.

Finally, the *cultural argument* stipulates that NGOs, embedded in the local culture, are more sensitive to local needs and their articulation. Rather than replacing indigenous social structures by large-scale organisations, NGOs try to nurture local organisations within their own cultural context.

Even though many of the above-mentioned arguments are often repeated in the recent NGO- and development aid literature, it should be stressed that there is actually very little or no clear or systematic empirical evidence for or against these claims. Case by case, some of these claims

may be true and some of them may be false. But mostly they are based purely on general assumptions, expectations, feelings, and beliefs. This lack of systematic evidence has also been recognised more and more often in the recent literature (see e.g. Anheier 1990; UNDP 1993).

### **Typical conceptions: NGOs as a residual category**

Even though the developmental literature is full of general discussion about the ‘emerging’ new non-governmental and not-for-profit organisations (see, e.g., literature listed in footnote 2), there are actually surprisingly few signs of any clear conceptual thinking and agreement about what these organisations are really about, or how they should be defined. This situation has been pointed out by several scholars including Helmut Anheier (1990), David Korten (e.g. 1990), and Ian Smillie (e.g. 1993; 1995).

To sum up the current scholarly thinking, we can say that in most cases the theoretical conceptions that are used to conceptualise these emerging new organisations are not well developed. Typical conceptions are based on questionable dichotomies and unscrutinised assumptions about the differences between the so-called public and private sectors and their distinctive organisations; or sometimes between public, private and collective (i.e., third) sectors and organisations.

*What seems to be most often agreed upon in the developmental literature is, that when we are talking about ‘non-governmental’, ‘private voluntary’, ‘non-profit’, or ‘third sector’ organisations, we are talking about developmental organisations which on the one hand are not governmental — meaning that they are not ‘traditional’ government agencies — and which, on the other hand, are not private, profit-seeking corporations. An important point here is the fact that **from this perspective the non-governmental, not-for-profit organisations are conceptualised not by what they are, but by what they are not.** Thus, for most authors these organisations are just a **residual category** of organisations or a black box somewhere between — or somehow distinct from — ‘traditional’ governmental agencies (or public ‘bureaucracies’) and private, profit-seeking corporations (or profit maximisers). The most obvious problem with this description is that this general category of organisations is by definition extremely broad. Besides voluntary, grassroots organisations — which are often understood as some kind of core group or an archetype for NGOs — it may include organisations like private, not-for-profit*

schools and hospitals, international humanitarian organisations (e.g., Save the Children), help and relief organisations (like the Red Cross), various types of membership associations, co-operatives and self-help organisations, and sometimes even organisations like labour unions, political parties, religious sects, and churches.

*Furthermore, when the descriptors ‘non-governmental’, ‘private, voluntary’, and ‘not-for-profit’ are scrutinised, it can also be said that too often both the extension and the intention of the concept remains unclear.* Thus the borders of the concept remain open in both empirical and theoretical terms.

In the next sections I discuss briefly some of the problems related to the descriptors ‘non-governmental’, ‘private voluntary’, and ‘third sector’. After that I discuss the need to develop more complex empirical and theoretical classifications and typologies of different types and subtypes of NGOs.

## **NGOs as ‘Non-Governmental’ organisations**

When the descriptions ‘non-governmental’ or ‘non-governmental organisation’ are used, the emphasis is on the difference between governmental and non-governmental sectors, organisations, and activities. The hidden implication is that the core identity for the emerging, new organisations is their being separate from the ‘government’, ‘governmental’, or ‘governmental agencies’.

Given that the term ‘non-governmental’ defines a residual category — in the broadest sense all organisations that are not considered as ‘governmental’ — it is not surprising that a wide variety of organisations can be so classified. Thus there are actually several different areas (or breaking points) where the description ‘non-governmental’ may cause uncertainty, and lead readers in a wrong or unintended direction.

When we think about the *extension of the concept* ‘non-governmental’, how should we consider for example private firms, foundations, and governmental corporations; and what about intergovernmental organisations, organisations belonging indirectly to public administration, or quasi-non-governmental organisations (i.e., quangos)? Should these organisations be classified as ‘non-governmental’, ‘governmental’, or what? And what about the *intention of the concept*: What are the specific attributes that define various organisations as either ‘governmental’ or ‘non-governmental’? Is it their economic, legal, political, or administrative

independence from the government that makes these organisations non-governmental? Or is it something else? — In the literature these types of questions are sometimes asked, but hardly ever answered.

To take just one concrete example, in both ordinary language usage and in most organisation theory literature, private, for-profit organisations are often considered as part of ‘non-governmental’ organisations. However, in developmental literature this is hardly ever the case. We believe that this is based mainly on historical reasons: In the developmental context, non-governmental organisations are typically understood not as a second category between governmental and non-governmental, but rather as a third category of organisations between the public and private, between the government and corporate, or more lately between State and market.

The historical development leading to this somewhat strange conception can be easily understood: as already indicated, in the early days of official development co-operation, governmentally funded development projects were usually implemented by the governments in Third World countries. When modern non-governmental, not-for-profit organisations emerged and started to gain wider recognition, they were understood as important alternatives to government-based developmental activities. In this situation, the developmental activists started to call these new alternatives ‘non-governmental’. The apparent intention was to stress the difference between the ‘traditional’, increasingly criticised government-run developmental work and the emerging, new organisational forms.

At first this categorisation was probably quite useful, especially in order to promote the use of these new organisations (cf. Brown 1990). The indication was that the new non-governmental organisations are everything that governmental agencies were not: they are effective, non-bureaucratic, flexible, innovative, non-corrupted, non-politicised, participatory, and more reflective of the needs of the poor. As pointed out by David Brown (1990) this is also about how NGOs and NGO-activists mostly see themselves. Thus in the context of Third World development the term ‘non-governmental organisation’ became accepted as a proper and useful description for this emerging group of organisations.

Later on, as the diversity and complexity of the NGO field became more obvious, and when problems related with this initial dichotomic conception became understood, it was already too late to change the language. The term ‘non-governmental organisation (NGO)’ was already accepted as a true description of the new type of organisations.

For example, during the preparation stage of an earlier version of this chapter, I and a colleague made a survey on how students of Development Studies conceptualise ‘non-governmental’ organisations (see for more details Hossain & Mälkiä 1996, 65). According to our results, the key understanding was that non-governmental organisations are private organisations, not responsible to the governments but operating under the state’s-laws. These organisations have charity as their objective and work on a non-profit-making basis and are involved in development activities. Some of the students mentioned that NGOs are peoples’ organisations working against poverty and some of the students mentioned that NGOs are grassroots organisations. Furthermore, some of them tried to show their awareness that, the concept does not cover business organisations or organisations like the Ku Klux Klan. Interestingly, all of the respondents shared the view that by definition NGOs are organisations active in Third World development. To clarify this point, some specialists (like Theunis 1992) deliberately add a D for development and speak about NGDOs instead of NGOs. By doing this they underline the distinction between development-oriented NGOs and those active in some other areas of social activity (e.g., politics, culture, health, relief, education, and so on) without contributing to social change and development in a profound sense. But, still the description ‘non-governmental’ bears the same limitations as described above.

### **NGOs as ‘Private Voluntary’ organisations**

Another way to conceptualise the core meaning of the ‘emerging’, ‘new’ non-governmental and not-for-profit organisations in the context of Third World development is to understand them as private voluntary organisations (PVOs). This conceptualisation is common in the U.S.A., where the term PVO is used largely as a synonym for NGO (e.g. Korten 1990, 2; Smillie 1995, 22).

When the description ‘private voluntary’ is used, the emphasis is first on the fact that we are thinking about private instead of public sector organisations. As there are apparently several types of private sector organisations, the qualifier ‘voluntary’ is used in order to differentiate the intended category from other types of private organisations.

From the theoretical point of view, this conceptualisation may at first seem to be useful. At least the target is now positively identified, and not just a residual. But what is the meaning of this qualifier? In which way are

these organisations ‘voluntary’? Are we, for example, thinking about organisations that are

- legally organised as associations — i. e., are legally described as voluntary associations; or
- funded by voluntary contributions; or
- based on voluntary labour — e.g., members working without pay for their organisations?

As pointed out by Nazmul Ahsan Kalimullah, non-governmental, non-profit organisations are often called PVOs, although in practice most of the PVO workers receive payments for their duties (Kalimullah 1990, 166). And in practice, in many cases PVO workers are getting higher salaries than the workers in public organisations in Third World countries. This will easily create confusion, at least as far as we are thinking of ‘voluntary’ as ‘members working without pay’.

Furthermore, it can be pointed out that many of the so-called PVOs are financially much more dependent on government than on voluntary contributions from private citizens or organisations. Thus, in practice, they are often more like governmental contractors or governmental service providers.

For example, in the case of Finland, the Department for International Development Cooperation of the Ministry for Foreign Affairs (formerly known as FINNIDA) provides typically 75 per cent (maximum) project costs of Finnish NGO projects abroad. And in the case of disabled people’s organisations this share can be as high as 90 per cent. (FINNIDA 1994a, 37.) Other donor governments<sup>3</sup> have a similar type of funding systems for NGO-led development projects in developing countries. So, in practice, a large portion of project costs is coming from the donor governments. Therefore, these organisations are both much more dependent on government, and much less voluntary than the term ‘private voluntary organisation’ would perhaps indicate.

The weakness of ‘voluntary’ as a meaningful qualifier can be further demonstrated by the description given by Lester M. Salamon and Helmut K. Anheier. They considered ‘voluntary’ as one of the key attributes of non-profit organisations. Unfortunately, voluntary seems to mean almost anything. According to their definition, voluntary means:

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<sup>3</sup> For example Danish International Development Assistance (DANIDA) usually covers typically 80 per cent (maximum) project costs of Danish NGOs operating projects in Third World countries. In special cases, DANIDA funds 100 per cent of project costs with extra administrative costs related to the projects. (Vinding 1995.)

“involving *some* meaningful degree of voluntary participation, either in the actual conduct of the agency's activities or in the management of its affairs. This does not mean that all or most of the income of an organisation must come from voluntary contributions, or that most of its staff must be volunteers. The presence of *some* voluntary input even if *only* a voluntary board of directors, *suffices* to qualify an organisation as in *some sense* ‘voluntary’.” (Salamon & Anheier 1996, 14-15. Italics added.)

In the recent discussion also the term private voluntary development organisations (PVDOs) has emerged. This term and the conceptualisation may be useful, as it makes a clear distinction between the developmental organisations and others like it, for example those that are not working for development. On the other hand, the term PVDOs has not solved the problem with the qualifier ‘voluntary’. It is still confusing: in which way are these organisations voluntary and who are the volunteers?

### **NGOs as ‘Non-Profit’ organisations**

In many academic publications ‘emerging’, non-governmental and not-for-profit organisations have been also identified as non-profit organisations (NPOs). Here the emphasis is on the fundamental distinction between non-profit-seeking and profit-seeking activities.

Not surprisingly, even the qualifier ‘non-profit’ may lead us in the wrong direction, because some of the NPOs are heavily engaged in producing and selling different products. The most obvious and interesting cases are the so-called ‘Third World shops’, on the one hand, and the ‘income-generating projects’ on the other.

The marketing of Third World products in ‘Third World shops’ is well known in western countries. There are actually several types of these shops. For example, quite a number of organisations are engaged in selling handicrafts from developing countries and in some cases they are selling second-hand materials in Western markets, just like ‘professional’ shops. Maybe some of their workers do not take any payment for their work in these shops, but some do. By sending the profit back to the partner organisations in Third World countries, Third World shops support and fund their development projects. Thus, for them being ‘not-for-profit-oriented’ does not mean that they would not seek profit from their customers in the developed countries; but rather, that they will distribute

the accumulated profits back to their beneficiaries in the developing countries.

In addition to the Third World shops, many of the 'emerging' non-governmental organisations in Third World countries, are strongly engaged in business, and are even competing with private business companies with their 'income-generating projects'. This also shows the problems and limitations in employing the term NPOs.

Furthermore, we should point out that most of the public organisations are not making a profit with their activities. Consider, for example, public schools and hospitals.

Thus we must ask what is 'non-profit' or 'non-profit-seeking'. In their recent book on non-profit organisations, Salamon and Anheier (1996, 14) have tried to differentiate non-profit organisations from private business sector organisations. Their basic argument is that organisations are not-for-profit if they are not returning the profits they have generated to their owners or directors. Thus non-profit organisations may accumulate profits in a given year, but the profits must be ploughed back into the basic mission of the agency, and should not be distributed to the organisation's 'owners' or its governing board. According to Salamon and Anheier, in this sense, non-profit organisations are private organisations. They do not exist primarily to generate profits. Rather they have some 'public' purpose and are not primarily commercial in operation and purpose. Would this not mean that, for example, co-operatives would probably not be considered 'non-profit' organisations?

To complicate the situation even further, we can point out that some scholars (Gidron, Kramer & Salamon 1992, 3) have recently suggested that for comparative work, the term 'non-profit' is far less useful than we may first assume. For one thing, many non-profit organisations do earn profits, though the profits do not accrue to the benefit of the organisations' owners, as is the case with business enterprises. For another, tax laws and the definition of 'profit' differ widely in different countries. For example, American non-profits are taxed on so-called unrelated business income that would be treated as entirely appropriate and completely tax-exempt in many European countries. For these and other reasons, they argue, it may be more useful to refer to this set of organisations as the 'third sector', rather than the voluntary or non-profit sector.



## **NGOs as ‘Third Sector’ organisations**

The term ‘third sector’ is used widely in both Europe and the U.S.A. to refer to an extraordinarily diverse set of organisations lying between the market and the State — or organisations that are not strictly government agencies nor primarily profit-seeking enterprises (Gidron, Kramer & Salamon 1992, 3).

In development aid literature, several scholars have tried to employ the term ‘third sector’ organisations in defining these ‘emerging’ organisational species. Their basic theoretical understanding is that the conceptualisation of NGOs, PVOs, NPOs should be ‘non-governmental, not for profit, voluntary or philanthropic organisations’, which makes them different from public and private organisations. Anheier (1990,1) states that these non-profit organisations, private voluntary organisations, philanthropic and operational foundations, and other similar organisational forms are located between the private, for-profit world, and the government. Thus he considers this intermediary organisational universe as comprised of ‘third sector’ organisations.

In recent research works on these organisations (see for example Salamon & Anheier 1996; Gidron, Kramer & Salamon 1992; Anheier & Seibel 1990), both terms, ‘third sector organisations’ and ‘nonprofit organisations’ have been used as synonyms. They have tried to establish a broad spectrum of ‘third sector’, where all these ‘emerging’ non-governmental and non-profit organisations could fit.

However Norman Uphoff (1996) argues that NGOs should not be understood as third sector organisations. This statement is based on his clear distinction between NGOs or PVOs (which he considers as synonyms), on the one hand, and people’s associations, membership organisations and co-operatives, on the other.

According to Uphoff, NGOs are service organisations belonging rather to the private than to the third sector as indicated by Anheier. For Uphoff, ‘third sector’ refers to people’s associations, membership organisations, and co-operatives. For him the defining criterion is their being organisations engaged in serving their members.

NGOs, on the other hand, are not-for-profit oriented service organisations, belonging to the private sector. Rather than members, they are serving clients or beneficiaries. As clients or beneficiaries, persons receiving their services have no formal power or influence on deciding the goals, operative patterns, or administrative arrangements of these organisations. Thus, the difference between them being clients of non-

profit service organisation or customers for private enterprise is not significant. According to Uphoff, clients and beneficiaries of NGOs are in a 'take it or leave it' relationship similar to that of customers and employees of private firms. For him this relationship is fundamentally different from that of persons who belong to and are served by a membership organisation or co-operative.

To make the differences between public organisation, private profit seeking corporation, private non-profit service organisation, and membership organisation more concrete, Uphoff gives the following examples of different hospitals belonging to these different types of organisations (Uphoff 1996, 19-20, italics are added):

“In a *public-sector hospital*, run by local administration (Ministry of Health) or a local government body (Town Council), patients enter as citizens and constituents with whatever rights and opportunities for redress this gives them, through the courts or through elected representatives.

A *hospital that is privately owned and operated*, while it will be regulated by public laws, is basically in business to earn a profit from its provision of services. Its patients are essentially customers or consumers. Their option, if dissatisfied, is to go to another hospital, as they would go to a different store if they were unhappy with products or services.

A *charitable hospital* operated on a not-for-profit basis is not much different from a private hospital, except that its managers give free care or are less insistent on being paid for services. That managers make decisions on behalf of trustees instead of owners is not a big difference operationally.

A *co-operative hospital*, on the other hand, was set up at least in part with members' capital, and it exists to serve them. As members they help to set the rules and the fees, and if they have any complaints about service, they are much more 'empowered' to initiate corrective action than with a public, private or charitable hospital. Organisations that serve members are in a different situation regarding operation and accountability than are those which fit the more conventional private or public-sector models serving patients as citizens or customers.“

Based on the above discussion, to consider these 'emerging', 'new' non-governmental and not-for-profit organisations as third sector may be considered problematic. At the same time, we have seen that there is a strong need to develop more differentiated conceptions of these different organisations.

## **Towards more differentiated conceptions**

*An even more important problem than the question whether these new organisations should be conceptualised as NGOs, PVOs, NPOs or as third sector, is the lack of conceptual clarity about the different types of 'emerging' developmental organisations. Among these organisations there is a wide variety of differences in their origins, interests, activities, clients and beneficiaries, financial arrangements, management patterns, work strategies, operational procedures, and working environments (etc.). In this type of context we need **more differentiated conceptions of different types of development-oriented organisations**, their roles, functions, and rationalities, their networks, and their complex interactions within themselves and with other organisations working in the field of Third World development.*

The conceptual systems that are typically used to understand this complex spectrum of organisations are often too broad and too general. By identifying different types of organisations as 'non-governmental' or 'private and voluntary', they fail to reflect the complexity of the world to be described and understood. Instead of analysing the different types of non-governmental, not-for-profit organisations, with different functions and different roles in the functioning of the system, we are too often trying to analyse the world of Third World development by using broad conceptual categories, like NGOs, as if all 'non-governmental' organisations would be the same, or even similar. Thus, instead of speaking about various types of trees, bushes, shrubs and plants in a forest, and their roles and functions in the forest ecosystem, we are seeing and speaking only about the forest itself. Even if sometimes it may be theoretically justified and meaningful to map issues at this high level of abstraction, more often than not the map will be just too abstract and general to give any deeper insights or guidance for people attempting to understand the Third World development scene.

In recent years in development aid literature *there have been several initial attempts towards establishing more differentiated concepts*. Among others, the most visible of them have been David Korten (1990) and Norman Uphoff (1996). As Norman Uphoff's ideas were already discussed, next I will concentrate only on Korten.

In his attempt to understand the complexities of NGO action in developing countries, one of the leading scholars in the NGO literature, **David Korten** (1990, 114-132), has identified **four generations of NGO**

*strategies*. They are summarised in Table 2. The analysis is based on the changing role of NGOs in development.

According to Korten, the *first generation* of NGO strategies, called *relief and welfare* strategies, are based on NGOs giving emergency assistance to local populations in the case of catastrophes, like earthquake, flood, war, and famine. NGOs engaged in this kind of action are doers and the main actors to solve the needs. They are serving the immediate needs on a temporary basis. Thus the focus is on giving relief to individuals or families in need and helping them to recover. When this is done relief organisations will change their location and seek new beneficiaries or clients in need of similar help.

The *second generation* of NGO strategies are based on NGOs arranging small-scale *community development* projects for neighbourhoods or villages. As compared to first generation strategies, this type of strategies is based more on development orientation, but the projects are understood as having a short-term life span. Thus the management orientation is project management, and the chief actors are NGOs along with the local community. Thus second-generation strategies focus the energies of the NGOs on developing the capacities of the people to better meet their own needs through self-reliant local action.

The *third generation* of NGO strategies are based on *sustainable systems development* and have a longer time perspective. The time frame varies from ten to twenty years, and the scope of the project is expanded to a region or nation. Thus these strategies look beyond the individual community and seek changes in specific policies and institutions at local, national and global levels. The chief actors are all relevant public and private institutions. The role of the NGO is as a catalyst, and the management orientation is strategic management.

The *fourth generation* NGO strategies are based on *people's movements*, which have an indefinite time frame. The scope is national or global and the actors are loosely defined networks of people and organisations. The management orientation is coalescing and energising self-managing networks. Inside these networks different organisations have different roles to play in the development process in developing countries.

However, universal application of Korten's above analysis of four generations of NGO strategies is not absolutely relevant to the NGO reality in the developing countries, and therefore could prove to be wrong. For example, his perception about the fourth generation NGOs may be challenged. In fact, a large number of NGOs in developing countries are the other way round. They are not revolutionary, rather are market-

oriented. The relevance of Korten's analysis depends on the particular geopolitical and socio-economic structure of a given country.

According to Korten, all of these four generations of NGO strategies and NGOs engaged in them are continually co-existing in the contemporary development scene. It is easy to understand that there is a bewildering variety of different NGOs that have little or nothing in common with one another. Thus to speak meaningfully about the development roles of NGOs, it is necessary to be more specific as to what type of NGO we have in mind. In his initial attempt to solve this problem, David Korten (1990, 2) has identified four major types of NGOs. These are:

**Table 2. Strategies of Development-Oriented NGOs: Four Generations (Korten 1990, 117).**

	GENERATION			
	<b>FIRST</b> <i>Relief and Welfare</i>	<b>SECOND</b> <i>Community Development</i>	<b>THIRD</b> <i>Sustainable Systems Development</i>	<b>FOURTH</b> <i>Peoples' Movements</i>
<b>Problem Definition:</b>	Shortage	Local Inertia	Institutional and Policy Constraints	Inadequate Mobilising Vision
<b>Time Frame:</b>	Immediate	Project Life	Ten to Twenty Years	Indefinite Future
<b>Scope:</b>	Individual or Family	Neighbourhood or Village	Region or Nation	National or Global
<b>Chief Actors:</b>	NGO	NGO plus Community	All Relevant Public and Private Institutions	Loosely Defined Networks of People and Organisations
<b>NGO Role:</b>	Doer	Mobiliser	Catalyst	Activist / Educator
<b>Management Orientation:</b>	Logistics Management	Project Management	Strategic Management	Coalescing and Energising Self-Management Networks
<b>Development Education:</b>	Starving Children	Community Self-Help	Constraining Policies and Institutions	Spaceship Earth

- 1) ***Voluntary organisations*** (VOs) that pursue a social mission driven by a commitment to shared values.
- 2) ***Public service contractors*** (PSCs) that function as market oriented non-profit businesses serving public purposes.
- 3) ***People's organisations*** (POs) that represent their members' interests, have member-accountable leadership, and are substantially self-reliant.
- 4) ***Governmental non-governmental organisations*** (GONGOs) that are creations of government and serve as instruments of government policy.
- 5) ***Corporate bodies***: Many development NGOs have turned into corporate bodies and gradually shifted their focus from social development to market operations. In fact, these NGOs are making their effort to raise income.

Although far more advanced than other classifications, I would argue that Korten's typology of development organisations is still much too broad, unsystematic, and general. In future it can be used as a starting point from which more developed classifications or taxonomies can be generated. When this is done, David Korten's analysis of four generations of development strategies may offer enormous help and inspiration. As pointed out by Bill McKelvey (1982) — the best-known scholar specialised in organisational systematics — insightful analyses shading the light to steps that have been taken in organisational evolution may offer important starting points and help to develop taxonomic systems of organisations.

More systematic classifications could also be generated by identifying the various roles or functions of NGOs in development. This is done, for example, when some scholars make a difference between northern and Southern NGOs. These two types of NGOs play a very different role in development. Usually the northern NGOs (NNGOs) are described as partners or donors to Southern NGOs (SNGOs); SNGOs are seen mainly as local action organisations, and thus more grassroots based than NNGOs. (For more details, see, e.g., Smillie & Helmich 1993.) If this is the case, then the difference between these two types of NGOs is basically the difference between top-down and bottom-up approaches in development. On the other hand, this may not always be true. Some of the northern NGOs may have even more grassroots approaches than some 'opportunistic' Southern NGOs. Thus the grassroots affiliation depends on NGOs

(whether Northern or Southern) and their relationship with the target groups.

To sum up the previous discussion, as we can see, even in the case of NGOs, the organisational field of Third World development is full of organisations that are different from each other. Unfortunately, our current conceptual tools do not adequately reflect this situation. By avoiding the complexities of reality, we miss the richness and diversity of these organisations. Without understanding this, it is more than likely that we — as scholars and practitioners, both from North and South — will continue to fail in our attempt to understand and manage the increasingly complex world of development co-operation.

It should be mentioned here that the working definition of NGO in this study is a non-profit oriented non-governmental development organisation which seeks to empower poor people, strengthen democracy, protect human rights, ensure pluralism, bring gender balance in social decision-making, and improve environmental standards. The empirical chapters in this study are based on this definition.

### **2.3: DYNAMICS OR DRAWBACKS? THE BASIS OF NGO RESEARCH**

It has been discussed earlier that despite claims about the advantages and disadvantages of the role of NGOs in development, the academic literature on these issues remains limited, narrowly focused and full of unjustified generalisations. However, documenting the comparative advantage or disadvantage of NGOs plays a crucial role in development management. If NGOs are failing to achieve better performance in their development initiatives, or if they suffer from those of shortcomings like government-led development initiatives -- where is the justification to involve NGOs in development? Do NGOs have better administrative capacity than the government agencies in the South? Are their projects sustainable enough in order to face the future challenges of the developing world? -- No single answer to these questions would be easy to find and generalise. The heterogeneous nature of this special sector of non-profit organisations also makes it more difficult to generalise the achieved findings of any specific research. However, research on these issues has vital importance. Similarly, it is also important to study systematically the impact and relevance of NGO operations, specifically in different countries, and



studies should target the social, economic and cultural context of the beneficiaries in developing countries.

NGO dynamics in development management have been discussed in a previous part of the study. Discussions in this part cover the drawbacks of the NGO sector, identified by different scholars. The section tries to provide some insight on the dynamics and drawbacks of NGOs in development management. The section also tries to analyse the relevance of NGOs in development management, their administrative capacity, and sustainability of their projects. At the end, the discussion focuses on issues needing further academic research.

### **Drawbacks of NGOs: notes from the existing literature**

It has been said that the wisdom of the comparative advantage of NGOs is now under question for various reasons. Among the most obvious ones for this have been observations that previous understandings on the roles and relative advantages of NGOs have been sharply challenged: they are not necessarily more effective or efficient than official channels. It has been argued that the costs of NGO operations have been underreported and the real volume of resource flows through NGOs is not known. NGOs do not necessarily reach the poor and meet their needs at the grassroots level any better than the official assistance. (Vuorela, Airaksinen & Ulvila 1996, 2) About the cost-effectiveness of NGO operations, it has been claimed and argued that basically at the project level the cost of NGO operations is much higher than the government's (Aminuzzaman 1997). The relationships between official and NGO channels in development are also undergoing vigorous changes. While the differences between official and NGO co-operation in development are diminishing, the NGOs retain their interests in remaining different and autonomous. Questions about co-ordination, complementarity and relative autonomy of the NGO field with regard to the State and the market are central issues to be addressed both from the perspectives of the North and the South, donors and recipients alike (Vuorela and Airaksinen & Ulvila 1996, 9).

Norwegian scholar Terje Tvedt (1997, 1; italics added) states that 'the idea, for example, that NGOs have the comparative advantage that they are generally assumed to have in the literature on NGOs in development, *has been falsified*. No studies have so far substantiated a claim either about comparative advantages or "shared values" for this wide variety of organisations vis à vis other equally multifaceted group of states. The

heterogeneity of the NGO-scene makes it futile to ascribe to the NGOs certain and similar political and ideological characteristics, and even similar institutional characteristics as degree of volunteerism, “privateness“ etc.’

NGOs merit attention because of the light that they can throw on weaknesses of the State and the market as mechanisms for meeting the needs of society (Hulme 1994, 253). This statement becomes relevant in the case of Third World countries due to their existence as weak States with their scarcity of services for the greater number of population. It has been claimed (Anheier 1990, 363) that these organisations try to stimulate the participation of the poor and try to reach those strata of the Third World societies that are bypassed by the public service delivery systems. On the contrary, the NGO reality in developing countries suggests that most of the NGOs are headed by middle class and upper middle class educated people or by the local elite. This phenomenon is common also in Africa (see for example Anheier 1990, 364). Often unemployed educated youth establishes NGOs in order to be employed and they certainly have also the right to do that. With their nationality these Southern NGO (SNGO) leaders might represent their society; but considering their economic and social position in Southern societies, they do not necessarily represent the disadvantaged rural poor or the poorer segment of the society. However, these SNGO are at the heart of voluntary sector development activities. They are the operational, catalytic and indigenous units of northern NGOs (NNGOs) at national or regional levels in the South. Basically, they implement projects, promote and support membership organisations (MOs) or clients and lobby national governments. (Hulme 1994, 259) These SNGOs are the most important intermediary actors between NNGOs and MOs. Thus the wisdom of employing NGOs in development work very much depends on the nature of SNGOs. The ‘opportunistic’ characteristics of the educated, unemployed middle or upper middle-class and often the Southern elite-class indicate that this sector has become an alternative source of employment. When the State capacity to offer public positions has reduced significantly due to the reduction of public services, this sector has really employed a large number of Southern job seekers. (Hulme 1994, 266)

As a result, the head office administrative cost of this sector has increased significantly. That is, their prime motivation became employment, rather than mission. For example, the tendency of establishing new NGOs in developing countries shows it clearly. In addition, some big NGOs, often known as ‘states within a state’ are also

facing bureaucratic problems in their administration due to their unmanageable size with the existing staff. Therefore, the claim of 'NGO efficiency and effectiveness' contrasting with the government bureaucracy is gradually becoming false. Many success stories of the government-run development initiatives would also be found elsewhere in the world.

The economic argument in favour of NGO-led development projects is their low project cost. They are believed to carry out services more economically than governments, and that NGOs' aim is to gain self-reliance and self sufficiency (Anheier 1990, 364). However, some sources (e.g., Vuorela, Airaksinen and Ulvila 1996) argue that the costs of NGO operations have been underreported and the real volume of resources that flows through NGOs is not known. Very often an NGO worker receives a better salary than local public servants in developing countries. As stated earlier, the cost-effectiveness of NGO operations has also been claimed and argued that basically at project level the cost of NGO operations is much higher than the government's (Aminuzzaman 1997). The International Institute of Rural Reconstruction's (IIRR) experience in small and medium size NGOs is that their projects are said to be 'low cost' because they are 'under-financed'. They have management problems with their financial practices. Long-term financial planning is also difficult because grants are uncertain and donor conditions are restrictive. Besides these, donor unwillingness to contribute to the core budget leads to 'creative budgeting' and donors tend to over-rely on profitable projects. (IIRR 93-2501EI) Local resource mobilisation of the NGO sector is almost absent and the NGOs are highly dependent on foreign aid, and by its nature foreign aid is always uncertain. That, of course, is one of the reasons why NGOs may have to pay staff more than a government salary – because it is understood that there is much uncertainty involved, and there will be no pension later on. Aid dependency in the NGO sector is a global phenomenon in developing countries. Weakness in local-level fundraising creates problems with financial independence. As a result, the question of the sustainability of NGO-led projects becomes uncertain.

It has been stated (Anheier 1990, 366) that the political advantage of NGOs is that they are relatively immune from changing political tides, while government policies and agencies are subject to unexpected change. In many considerations, NGOs are believed to be more 'honest' and less guided by political considerations. NGOs often provide the only effective feedback mechanism in the course of development projects. Moreover, the sector has managed to gain support (sometimes moral or material) from a wide range of sources spread across the political spectrum (Hulme 1994,

253). Very often they have an image of not being politically active. However, it is obvious that these organisations are not outside the political reality. Due to this non-political image it can be argued (see for example, IIRR 93-2501EI) that the NGOs are politically independent and this is why they are powerless and isolated. Their operational-economic development stance wins support from donors, is non-threatening to the political status quo and it also provides a means of rapidly expanding the membership base. They may operate a conscientisation or empowerment project to ensure popular participation rather than political participation with their being a non-political development organisation. This makes ambiguity in Southern societies. NGOs might claim themselves to be non-political entities due to the fact that they need the permission or registration for their work in Southern countries from the government. On the other hand, their pluralistic framework can be viewed as making a positive contribution to the political position of disadvantaged groups as they raise awareness, foster notions of participation within the evolving political culture, develop the organisational and, later, lobbying capacities of a new set of political actors and expand the ranks of experienced leaders who can exercise future options to compete for political office. (See for details Hulme 1994, 261) Their participatory approach may create political pluralism, participation in decision-making and this might have a positive effect on building democratic practices among the civil societies in Southern countries. To support and strengthen the 'civil society' has become a declared aim of most donors (Tvedt 1998a, 63). At the same time, this aim might endanger the ruling or dominating class of the States in developing countries. In Southern societies 'civil society' is considered a vast ensemble of constantly changing groups and individuals whose only common ground is their exclusion from the State, their consciousness of their externality and their potential opposition to the State. (Chabal 1992, 83)

In developing countries, this confusion of political and non-political NGOs is visible. This issue very often affects the NGO-Government relationship in Southern countries. In many cases Southern governments use monitoring and evaluation of NGO activities as a tool to control and regulate their activities. Periodical review of their activities could also be considered as a tool of control. These matters often lead to tension in NGO-Government relations in developing countries.

The internal political environment of NGOs is also uncertain. Very often the SNGOs suffer from internal conflicts within their organisations. In many cases these conflicts begin with personality conflicts among the

leading or executive members. The participation of women is very often ignored (for example, see Miles, Hossain & Ringstad 1996), which may raise questions about gender equality in organisations. Therefore, in many cases it looks odd that these organisations are building awareness in equality, gender-equality, participation, democratic exercise, empowerment, etc. in Southern societies but it seems to be the case that they do not practise it themselves. For example, NGOs often advocate participation and local capacity development but fail to translate this into action. The result is low levels of participation of intended beneficiaries in project planning, implementation and evaluation because of their lack of skills, unwillingness to surrender power and resources. Usually at a central level an 'executive board' consisting of a few members selected (often understood as elected) by a few more members, which designs, plans, and implements the whole process of the organisation. Therefore, the target group does not feel attached to the activities of the organisation. Often they consider NGOs a source from which to receive services or benefits. Yet participation must be seen as an exercise of giving the rural poor the means to have a direct involvement in development projects (Oakley & Marsden 1990, 64). The International Institute of Rural Reconstruction also states (IIRR 93-2501EI) that most of the NGOs exercise leadership without basic management skills. Very often the organisational structure is weak with the problems of unclear role, weak administration and poor communication. They put emphasis on rapid responses rather than long-term solutions. Another limitation of their organisational culture is the 'founder's traps', especially in recently founded organisations. Founders may be unwilling to surrender control over the organisation. Activities are structured around strong personalities instead of organisational functions. So the donors' target to reach the 'poorest' by involving NGOs and by bypassing the Southern government does not always work. Southern governments also follow the recent trend of forming government-organised NGOs (GONGOs) as a substitute for real NGOs. For example, the wife or daughter of any influential minister could chair the National Women's Association of a certain country or the relatives of the regional governors could chair regional organisations. At the same time donor-organised NGOs (DONGOs) have also been created in many Southern societies. (For detail see Brown and Korten 1991, 73-74)

The conventional belief stipulates that NGOs, embedded in the local culture, are more sensitive to local needs and their articulation. Rather than replacing indigenous social structures by large-scale organisations, NGOs try to nurture local organisations within their own cultural context

(Anheier 1990, 367). The sector has a wealth of knowledge about the nature and operations of local elites, about strategies for by-passing, weakening, co-opting or coping with elites and about the responses of those elites to such strategies (Hulme 1994, 254). These arguments might be true in the case of indigenous organisations but in case of foreign or international NGOs sometimes the Southern authority could be very suspicious. At the same time the above-mentioned arguments might not be relevant in case of religious (that is Christian, Muslim, etc.) NGOs, whose primary mission is to preach their own religious philosophy to the target group. In this context, there might be a need to differentiate between religious missions in which the workers' primary aim is to change the target people's beliefs, and those where the workers' main motivation is that their religion teaches them to serve the poor, feed the hungry, etc. The lack of ability to differentiate between these two sorts of motivations often causes misunderstandings to arise among ordinary policy-makers in different societies. However development activities might become a secondary priority to some religious organisations. The entrepreneurship for non-profit provision of education, health, and social services, historically, has come from religious (or other ideological) groups. It is important to note that service-providing non-profits are typically started not by individual entrepreneurs, but by religious or other ideologically motivated organisations; by providing education, health, and other vital social services, they hope to maximise faith or adherents rather than profits (James 1990, 23). Sometimes, foreign religious organisations may bring confusion and conflicts in their work with local societies in developing countries. Such confusion and conflicts are often visible in Bangladesh. Also in Nepal, for example, the orthodox Hindus believe in the divine origin of things and do not want foreign aid to interfere in what is predetermined for their society (see for details Bista 1994).

### **Future research: selected issues from scientific seminars and popular debates**

Several issues have been receiving attention in recent seminars and conferences on NGOs arranged by different NGOs, donors, and research institutes including universities in different developing countries. Some of them remained unanswered – it is also difficult to get academic understanding from popular debates and discussions. Academic research

may contribute to a proper understanding of these issues. The issues are discussed here briefly (Hossain 2000a, 84-87):

Different corners of the societies in developing countries have recently questioned *direct foreign funding to local initiatives*. They argue that direct funding (usually from the embassies) is a violation of diplomatic norms and values and may contain political risks to the governments in developing countries. Also the movement-oriented organisations claim that direct funding may destroy the commitment of their work and it has a direct effect on their workers. Research on this issue may generate well-founded academic knowledge.

*Accountability of NGOs* has been a leading issue in different popular debates and discussions. Due to financial dependency on foreign donors, the NGO sector has a degree of loyalty and accountability to their foreign funding agencies. This loyalty or accountability often confuses the governments in developing countries, as these organisations perform responsibilities that are also the domain of the public sector. It has also been difficult for the governments in developing countries to establish an effective mechanism to make these organisations accountable to the government. Riddell and Robinson (1995, 135) noticed the mismanagement in keeping the office record of NGOs and stated that ‘the records are not kept for use in the local office, but to justify themselves to head office, and ultimately to demonstrate accountability to donors’. They further stated that this practice ‘reflects tensions between different levels of NGO management and the funding and operating NGOs. While the terminology is of partnership, the equality and mutual trust which this implies are a great deal harder to achieve within hierarchical organizations or funding relationships. Progress towards fuller partnership would seem to be an important corollary of more satisfactory forms of record-keeping being instituted’. The area needs further academic understanding in developing countries and also in donor countries.

*The NGO-Government relation* is another area where academic research may contribute a lot. There have been a few studies done on the theme, but such studies need further continuation – since the nature of the NGO sector changes rapidly and from time to time the governments (regimes) also change in developing countries. For example, the involvement of NGOs in credit business, house-building finance, banking, etc. needs to be documented properly and their mode of partnership with the public and private sector also needs to be addressed by academic research. Another area is NGO-local government relations. For example, NGO-local government relations are taking collaborative form in some

places in some developing countries. With NGO support in technology, marketing and management, rural local government institutions and municipalities are making good progress in implementing a number of projects in areas such as social forestry, environment, fishery, health and sanitation, and alternative dispute resolution. In some places, NGOs have succeeded in imparting management development training and social awareness programmes for the local government councillors, officials and extension workers.

*Voluntarism vs. professionalism* is also a leading dilemma in the NGO community. As stated earlier, career conscious professionals seem to be better performing in NGO operations, and the idealistic volunteers are found to be weak in their managerial practices. Therefore in recent development management the NGO sector has a dilemma with better performing highly paid professionals and low performing idealistic good volunteers – although the volunteers and volunteerism are said to be the main spirit of these organisations. The well functioning NGOs often employ graduates and ignore the volunteers in project management. Thus the sector is also having the nature of recruiting professionals like other public and private agencies. The more as they undertake public activities the more they become dependent on the professional staff – thus gradually losing their voluntary image. Many argue that the NGOs should re-orient their philanthropic base. Study on this issue may contribute new dimensions to public projects managed by voluntary organisations.

*Politics vs. development* could be one important domain of academic research. Usually NGOs justify their operations as anti-poverty organisations. Several decades have already passed but the said global poverty scenario has not improved. For example Bangladeshi Grameen Bank's micro-credit programme has been appreciated by international donors and replicated in many developing countries. But the majority of the Bangladeshi population remains largely poor. As a result, NGOs are also seen as a tool of modernisation in developing countries – that create a market for Western products. In Bangladesh, for example, Grameen Bank started using Western technology in their Mobile Phone business. In collaboration with TeleNor of Norway, Grameen Phone, a subsidiary company under the Grameen Bank, has in fact pioneered in marketing cell phones in rural areas. Another giant NGO, Proshika, has recently launched their new enterprise for marketing water purification equipment in collaboration with a Canadian company. Besides, Proshika recently started its new business venture as an internet provider in the growing Bangladeshi market of information technology. In traditional villages in



Nepal, fresh water streams have been flowing from generations ago and satisfying the villagers' thirst, but in these days people are being acquainted with Coca Cola, Pepsi, etc. Toyota jeep, Sony television, Philips fridge, etc. add a new taste to life – at the same time they also add a new degree of complexity in village life. Empirical research on the impact of modernisation and the role of NGOs could discover well-grounded knowledge on the politics of development aid.

The scholars also challenge *cost-effectiveness of the operation of NGOs*. Research on such arguments would have vital importance to the relevance of NGO operations. Surprisingly very little research has been done on the issue of the claim of NGOs' cost-effectiveness compare to the government agencies. Neither NGOs nor the pro-NGO agencies would probably do such research – thus there is a great need for academic endeavour to accomplish such study.

Research on the above issues is also claimed to be important by several researchers. For example, Salamon and Anheier (1996, 115-131) claim that the role of NGOs in the modern globalised world is questioned from different aspects. The NGO sector in general is facing many challenges in its development initiatives. The future key issues, implications, and challenges of this special sector of NGOs operating development projects in developing countries are *a.* coming out of the shadows; *b.* establishing legitimacy; *c.* establishing meaningful collaborative relationships between NGOs and the State, both in the North and in the South, going beyond the paradigm of conflict; *d.* remaking their role in development from agent to partner; *e.* buttressing the philanthropic base; *f.* ensuring accountability; *g.* ensuring effective professionalisation; and *h.* defining and determining their role in the changing globalised economy. Thus the academic community should not avoid the moral responsibility of carrying out proper studies on these issues, which have direct relevance in identifying the dynamics and drawbacks of the NGO sector.

Norwegian scholar Terje Tvedt (1998b) states that most of the NGOs operate with official development assistance funds provided by the donor governments. As the funding to NGOs in the North and promoting conducive environments for their activities in the South are deliberate acts by the government, it is not meaningful to explain the rise of NGOs as a response to the failures of the governments. Such theories confuse the comprehension of the concrete historical development of the politico-economic context in which these organisations have mushroomed.

Therefore Tvedt (1998b, 66-90) proposes that development NGOs must not be analysed within a national, third-sector perspective, but rather as an outcome of complicated processes where factors like international ideological trends, donor policies and NGO agendas interact with national historical and cultural conditions in complex ways. By combining a national-style approach, where the organisational structure and landscape in a particular country are seen as a reflection of its cultural and historical characteristics, with an international social *system approach*, the complex development processes shaping the NGO scene in the aid area can be taken properly into account. Analysis of the NGO sector should, therefore, rather be looked upon as one social system, and a social system of a particular kind. It is a global system, donor-led but with a great number of supporters in the developing countries. The development NGOs as part of an international social system is characterised by the flow of development assistance funding, shared language and symbolic order, and the ideal-type project model where an NGO articulates the needs of the poor, receives funding, implements the activity and evaluates it. Research on NGOs with the system approach would certainly bring new insight into NGO operations.

It has been mentioned earlier that NGOs have an image that they are more participatory, dynamic, flexible, sustainable, cost effective, poverty oriented, innovative in development projects than the governments in developing countries. Probably, it is misleading to generalise these merits in NGO initiatives. Scholars also claim that actually the strength of the NGOs could in fact be a comparative disadvantage in operational terms; their commitment to values might make them less efficient or competitive. (Tvedt 1998b, 128-136) There also exists more evidence that NGOs are not necessarily better than the governments in the South. If NGOs fail to achieve better performance in their development initiatives or if they suffer from the stated shortcomings of the government-led development initiatives – then the NGO operations become irrelevant in development management. As there exists very little on this subject to date, conceptual and empirical research on official assistance to NGOs has vital importance to the current development discourse. Identifying the dynamics and drawbacks of the NGO sector largely depends on the future interest and ability of the academic community to study the sector properly.

## **2.4: DEFINING SUSTAINABILITY: COMMON TOOLS PRACTISED BY THE DONORS**

Sustainability as a term and as a concept is understood in **two** different ways in recent development aid literature. These are:

**(a) Environmental sustainability:** emphasising the environmentally sustainable aspects of development projects or interventions. The definition of this notion of sustainability is:

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs (Brundtland Commission 1987, 43). A development initiative is considered sustainable when it is economically and financially sustainable in terms of growth, capital maintenance, and efficient use of resources and investments. But it has also to be ecologically sustainable, which means ecosystem integrity, carrying capacity, and conservation of natural resources, including bio-diversity. However, equally important is the social side, for example, equity, social mobility, social cohesion, participation, empowerment, cultural identity, and institutional development. (Serageldin 1996, 2) So, the concept of sustainability in sustainable development implies balancing environmental protection with the generation of increased opportunities for employment and improved livelihoods.

Research on environmental sustainability states that (Clayton & Radcliffe 1996, 6-7): ‘There are a number of definitions of sustainability currently in use. There is some consensus that a transition to a sustainable way of life means taking steps to try to reduce the risk that environmental and related problems will seriously affect or jeopardise the human species at some future time, and thereby to ensure that future generations have a reasonable prospect of a worthwhile existence. The question of sustainability is, therefore, one of enlightened self-interest. It requires finding ways in which the human species can live on this planet indefinitely, without compromising its future.

Sustainable does not mean static. Every ecology, including the global ecology, is a dynamic interaction of interlocking cycles. A stable ecology, which is at a point of balance between interacting forces, continuously progresses and cycles energy, nutrients, and other resources. The point of balance itself changes overtime. The history of life on Earth has been one contingent evolution. This has involved both slow incremental change and

phases of rapid transition. Change and evolution is inherent in this process.’

**(b) Sustainability as viability:** This notion of sustainability, which this research is considering as its central concept, is emphasising the viability or sustainability (ability to survive) of certain development projects or interventions after the external support has been withdrawn. OECD’s ‘general definition’ (OECD 1989, 13 in paragraph 49) of this notion of sustainability is:

‘While there is no universally accepted definition, in general terms sustainability is the survival of projects and programmes after the initial period of investment – financial, physical, or technological. In international development assistance, sustainability refers to the continuation of projects and programmes after the termination of assistance from an external donor. The concept, however, must be expressed more precisely if managers of development are to understand what is required during the investment period to achieve sustained development activity. To that end, the following definition provides a more explicit basis for discussing the characteristics of the sustainability of development programmes.

Definition of the Sustainability of Development Programmes: A development programme is sustainable when it is able to deliver an appropriate level of benefits for an extended period of time after major financial, managerial, and technical assistance from an external donor is terminated.’

The OECD compendium of evaluation experience added (OECD 1989, 7) some of the key points of this definition as:

- The focus is on sustaining the flow of benefits – the results or impact of a programme – that are relevant to a developing country’s priority needs and the interest of decision-makers and beneficiaries.
- Projects are specific interventions of donors for assisting a developing country to achieve sustainable benefits and maintain supporting activities and institutions.
- The appropriate level of benefits and the time period will need to be defined in each instance taking into account the country’s development objectives, the initial investment and recurrent costs and the creation of a permanent institutional capacity.

- The termination of major external assistance assumes the developing country will provide the financial, technical and managerial resources required to sustain the programme. Continuing relations with external technical groups and supplementary financing of commodities may often be desirable.

The arrival of both notions of sustainability with the above definitions (a. and b.) in development aid literature happened during very recent decades – when both of them got priority in policies regarding aid conditionality of the donors. Theoretical development of ‘environmental sustainability’ has been progressing well in the recent academic and professional research (see, e.g., Clayton & Radcliffe 1996; Serageldin 1996; and many others). This significant progress has happened due to the action needed for the recent environmental crises around the world. Somehow, the other notion of sustainability, i.e., the ‘project sustainability’ got very little attention in academic and professional research. In recent years some professional evaluation experts (see e.g. Riddell et. al. 1995; FINNIDA 1994a; Lewis et. al 1994; etc.) have been writing in their evaluation reports a few pages on sustainability of the particular development projects they studied. However the understanding on the issue still remains primary. Probably it is so because of the practical matter that research on sustainability of development projects needs in-depth field study on particular projects – also with a focus on the larger context of the development intervention. Often it is very difficult to generalise issues related to sustainability by consulting only data and information from secondary sources. The study of sustainability is also a time-consuming process, needing empirical evidence on each project – before anything can be theorised on the topic. Each of the above evaluation reports emphasised the need for further study on sustainability of development projects. Few of them also tried to connect the dual notion of sustainability, i.e., environmental sustainability and sustainability as viability of development projects.

Both notions of sustainability are important in the world development context. The present study is only aimed at the latter notion of sustainability, thus only refers to the sustainability of development projects, with a particular focus on NGO-led development initiatives. During 1989, OECD published a document concerning sustainability of development programmes called ‘Sustainability in Development Programmes: A Compendium of Evaluation Experience’. The document

has been published on ‘sustainability’ in development programmes, as a selected issue in aid evaluation. One decade has passed – so far this is the only document of this kind that exists and is cited by OECD donors in their country’s aid-policy documents and in different evaluation exercises. No further significant development has happened on this issue. Academic research has also been very far from undertaking any action in advancing better understanding on the issue.

It is easy to understand from the previous definition that sustainability of development projects depends on certain factors related to the project. The factors of sustainability mentioned below are the abbreviated form (OECD 1989, 7-13) presented by OECD of the above-mentioned compendium of evaluation experience:

### **Factors of sustainability**

From a broad consensus of the OECD donors, the factors of sustainability fall under the following headings: government policies; management, organisation and local participation; finance; technology; socio-culture; environment and ecology; and external political and economic circumstances. The relative importance of the complex of effects and activity under each of these seven headings to the sustainability of development programmes cannot be established except from an examination of each situation. Experience suggests that given a propitious political and economic setting of government policies that express a long-term commitment to a programme, management and financial factors stand out as particularly important. The highlights of these seven factors are as follows.

#### **(a.) Host government policies:**

Development projects operate within the context of national policies. Government commitment and policies that support project objectives are critical to the sustainability of development programmes.

Developing-country commitment to a programme is one of the most commonly identified factors affecting sustainability. Analyses of this commitment take into account the agreement on objectives, the breadth and depth of support within the responsible organisations and from various political, bureaucratic, private and local community groups, and the willingness to provide financial and personnel resources. Country

commitment is also shaped by perceptions of mutuality of interests versus perceptions of predominantly donor-driven interests. Since commitment may vary over time and be affected by external factors and competing interests, it will need to be assessed on a continuing basis. For example, the once successful Bangladesh NGO, Gono Sahajya Sangstha (GSS), had to discontinue its operation as a result of an order imposed by the government. (The GSS context will be referred to again later in the study). Similarly, the Government of Bangladesh has recently banned the activities of all NGOs in the Chittagong Hill Tracts area, the Hilly Southeast region of the country where ethnic tribal communities still have occasional conflict with the Bangla-speaking population.

Developing-country policies related to, e.g., budget and foreign exchange, debt, prices and subsidies, interest rates, personnel practices, private sector participation, and sector priorities are important in achieving programme sustainability. Analyses of the importance and effects of various government policies for programme performance and sustainability are desirable and, where feasible, applied in promoting policy reforms.

#### (b.) Management, organisation and local participation:

Management, organisation and local participation include considerations of managerial leadership, administrative systems, and the involvement of beneficiary communities.

Managerial leadership is key in developing sustainable programmes. In many respects, sustainability and programme management are two sides of the same coin. Programme management encompasses responsibility of shaping policy and technological applications, setting goals, and mobilising support from political leaders, complementary organisations, and beneficiaries, as well as directing internal administration. These management responsibilities are all essential to sustainable programmes.

When project objectives are well matched with an organisation's administrative capability – existing or expanding over time – sustainability is enhanced. Administrative systems for personnel and training, logistics and maintenance, information and feedback, budget and finance will need to be developed to keep pace with programme dynamics.

Where management and organisation capabilities do not exist, or are inadequate at the outset of a programme, programme managers will need to balance carefully the tensions between the pressures to achieve immediate results and long-term organisational development.

For many programmes for which the benefits are directly associated with local populations, participation becomes critical to sustainability. Local participation in planning and implementation and in the key decisions affecting beneficiary welfare is a vital part of programme activity. It is an integral part of continuing the flow of benefits after termination of a donor's assistance.

(c.) Financial factors:

Sustainability requires a flow of funds to cover operations, maintenance, and depreciation of the investments to continue the benefits generated by a project. Financial analyses to demonstrate that funds will be available, either via cost-recovery provisions, commercial sales receipts, or through direct appropriation of funds, are an important part of a programme manager's responsibilities in achieving sustainable development programmes.

A major impediment to sustainability has been the inability to achieve continued, regular funding of annual operating costs. Experience shows that unless developing-country financial support is phased in while external support is still being provided it is unlikely that it will be provided after such support ends. Where the financing of recurrent costs is a chronic problem, donors may have to cover a portion of these costs for an extended period.

The prospects of sustainability are often greater for programmes that do not depend on general public funds for all of their recurrent costs. User fees, community financing and village contributions are desirable ways to shift some of the cost burden as well as establish the demand for services. An understanding by local communities of the nature and scale of these costs is important from the early stages of project activity.

In most developing countries, there are opportunities to use private enterprises to carry out development programmes. The profit motive makes the private firms more sensitive to consumer demand, improving prospects for a sustained flow of benefits.

In general, the decentralisation of development activity to local communities and private enterprises can strengthen commitment and help mobilise resources that otherwise would not be available.



(d.) Technological factors:

The technology chosen for the development programme must be appropriate both to the developing country's financial and institutional capabilities and to the programme goals. The technology must be accepted with mechanisms for its maintenance and renewal.

Advanced technology and expensive hardware that exceed an institution's financial or technical capacity are likely to be wasteful, ineffective and ultimately unused. A simple technology that is precisely focused on the needs of the task at hand and is of uniform origin enables counterpart staff to master it quickly. Then, the important step to diffusion can take place. The costs of providing and maintaining the technology must not be excessive relative to benefits generated.

The development and application of 'soft' technologies such as organisation structure and management, personnel, and training practices are important to facilitate the assimilation of new 'hard' technologies.

Developing countries need to have the capability to develop and adapt new technologies as circumstances change. Technology needs to be examined, tested, and adapted to ensure its suitability in a particular developing-country setting.

(e.) Socio-cultural factors:

The integration of a programme with the social and cultural setting of its beneficiaries and operating circumstances becomes especially important if the activity is not to be rejected after assistance ends.

Programmes which attempt to function in ways that are inconsistent with local traditions or assume changes in behaviour patterns, have a high risk of failure.

The involvement of local communities and institutions can promote sustainability by building a base of support and fostering a sense of local ownership of the programme. Working through local communities, which will take time, makes it easier to take advantage of traditional organisations and indigenous practitioners and benefit from their knowledge of what may work or not work in their society.

A lack of attention to women often parallels a lack of attention to target populations in general in designs and evaluations. Programmes that hope to have a lasting impact and become integrated into the social fabric of a community must explicitly address women as principal actors.

Gender-specific data that help to define the differences between the roles, responsibilities and opportunities of women and men can assist managers in strengthening the sustainability of programme benefits.

(f.) Environmental and ecological factors:

Population pressures and poor management of natural resources is threatening the ecological balance of many developing countries. Unplanned development, in some cases, has accelerated the depletion of natural resources, threatening the ability of the environment to renew itself and programme sustainability. Environmental policy and incentives are two areas in which actions can be taken to ensure that the benefits of programmes are sustainable in a manner that is ecologically sound.

For example, the Flood Action Plan (FAP) Studies of Bangladesh, conducted by the Ministry of Water Resources and Flood Control in consultation with foreign and local experts, have been severely criticised by some NGOs like RDRS. RDRS in fact published an alternative Position Paper on the subject, in which it first made a critique of FAP studies explaining that the FAP would be a non-participatory, ecologically-hazardous programme, and then presented its own perspective and strategic vision on the ways of tackling flood-related problems in Bangladesh.

Regulatory controls are often required to prevent environmental abuse for individual profit. Encouraging changes in behaviour patterns that adversely affect the environment can enhance sustainability. Ownership can be a strong incentive to conservation.

(g.) External factors:

Development programmes operate within the context of existing political, economic, and cultural circumstances that are beyond their control and influence. Yet they can be deeply affected by these circumstances.

Political instability, or even frequent turnovers in political leadership, can undermine, if not destroy, the long-term growth most programmes require to reach sustainability.

Economic instability can also be disruptive to programme sustainability through the negative impact of high inflation on budgets, foreign-exchange shortages on capital equipment and spare parts, or declining world market prices. Countries at low levels of development can be particularly vulnerable.

Natural disasters can result in losses or diversions of critical resources and damage the economic base for development programmes.

Where the development programme or other forces cannot bring about changes in the external circumstances to create a more positive setting, copying mechanisms may need to be built into programme management. Longer-term assistance may also be necessary. Also, where programmes and their benefits are deeply embedded in local institutions, their chances for coping with adverse circumstances and, thus, their sustainability are substantially improved.

(h.) Donor support:

Sustainability is a subject very closely linked with donor policy and support. In Bangladesh, for example, USAID and the Asia Foundation have supported the formation of a 'Democracy Forum' with some 25 small NGOs, which have been receiving funds for contributing to a five-year project called 'Democracy Partnership'. The idea of this forum to encourage the NGOs to carry out their activities after the financial support from USAID would be withdrawn.

It was mentioned at the beginning of this study that in the present research the *assumption* is that NGO-led development initiatives are not sustainable (or seldom sustainable) because (a.) NGOs do not get a favourable environment to work in, due to the lack of proper grassroots policies and the oligarchic character of governments in most developing countries. (b.) The commitment of the donors and their policy to support NGOs is not yet stable enough in donor (e.g. in OECD) and recipient countries. Thus NGO workers and activists are working with a degree of uncertainty in developing countries. And finally, (c.) For various reasons the management capacity of NGOs in managing development initiatives is weak. Poor performance in project management makes the NGO-led development initiatives unsustainable.

In order to study the sustainability of NGO-led development initiatives and judge the above assumptions in Bangladesh and Nepal, the research aims to concentrate mainly on the following: **a.** the overall and particular work environment of the NGOs in the target country; **b.** policy and the degree of commitment of the donors concerning NGOs; and **c.** the overall management capacity of the operating NGOs. However, other factors of sustainability have also been studied and presented in the empirical part of the thesis.

## **2.5: NGOs AND SUSTAINABILITY OF THEIR DEVELOPMENT PROJECTS**

Riddell et al (1995, 53) consider ‘sustainability as a process’ and state that ‘sustainability is a complex issue: this is commonly because it is understood and interpreted in the literature in different ways, but most frequently because of the emphasis given in the debate to different development goals. As a result, discussion on sustainability is often confused and/or confusing (Riddell et al 1995, 52)’. They describe the sustainability of NGO-led development projects as a ‘different approach’ – which has a range of more practical implications for NGO evaluations – to concentrate less on whether a particular intervention has become ‘self-sustaining’ (meaning, simply, that it is able to survive without the continued intervention, input and support of the donor), and to focus more on broader issues. One of these broader issues would involve an examination of the ways in which the individuals or groups of people, or specific organisations involved in the project or programme have the capacity to take over successfully the distinct project or activity when the sponsoring NGO withdraws. Broader still would be an examination of the way in which the project or programme has enabled not so much the project but beneficiaries themselves to be or become more able to survive without external inputs. Within this context, it is useful to make a distinction between the following (Riddell et al 1995, 53-58): financial sustainability, institutional sustainability, and environmental sustainability.

Financial sustainability: Financial sustainability is achieved to the extent that those other than external agents (including donors) are able to provide the financial input required to maintain and run the project. Thus, the beneficiaries themselves could be paying for a greater share of the costs; the host government takes over the financial burden of the donor; or again, the form of the project could be changed in order to create more, or even new, internally-generated revenue-raising opportunities. It is acknowledged that it will often be difficult for NGO projects to obtain accurate data on the extent to which financial sustainability has been achieved. Yet it should be easier to indicate whether there are visible signs of any movement towards greater financial sustainability, and to comment on whether there are any realistic prospects for achieving greater financial sustainability in the near-term. Two particular problems need to be

addressed. Firstly, a tension can often arise between attempting to achieve greater financial sustainability and maintaining the quality of services provided. Secondly, if a movement towards greater financial sustainability is achieved largely by altering the nature of the intervention such that only those who can afford to pay for the service now have access to the project, the greater financial sustainability achieved is no real achievement at all. These examples illustrate that in discussing the shift towards greater financial sustainability, it is often essential to incorporate into the overall assessment factors beyond the narrow focus of financial sustainability. This is true especially for NGO interventions, indeed for all those which focus on poor people with few of their own financial resources. After considering these shortcomings of financial sustainability the Swedish International Development Authority (SIDA) mentioned (cited by Riddell et. al.) that it is not necessary for sustainability that the programme be totally supported by local resources. The objective of a sustainable programme is to make a country self-reliant, not necessarily self-sufficient in a selected development activity. SIDA prefers that the primary responsibility for the project will be the concerned country or institution. Thus it is not necessary for this to be accomplished without any assistance from other sources.

Financial sustainability of NGO projects is exceedingly difficult; it requires holding two considerations in tension. At one level, there is often a great need to encourage NGOs to focus on the issue of financial sustainability: the evidence suggests that it is still all too common for NGOs not to address the issue of financial sustainability until they are well into funding the project. At another level, it is important that attempts to enhance and improve financial sustainability at the project level are not viewed as ends in themselves. It may well be that in particular situations, continuing to meet the needs of the poor will necessitate continual subsidies and 'permanent' external support. The implication is that to make generalisations about NGOs and financial sustainability that apply to all contexts is never going to be appropriate.

Institutional sustainability: In discussions of sustainability of NGO-led development projects, institutional sustainability and managerial capacity building play a significant role. Institutional sustainability is an issue of assessment of the extent to which discrete interventions have, or have not, enhanced the capability of the beneficiaries, especially their capability to carry forward their own development themselves. It concerns participation, ownership issues and human resource development.

This dimension of sustainability commonly involves the imparting of management abilities and, more generally, the building, sustenance and strengthening of local capacity, and often local institutions. It involves the growth and development of different capacities, e.g., the capacity to identify and resolve problems; the capacity to negotiate; the capacity to manage and administer; the capacity to strengthen the power of poor groups, and to utilise that power to draw resources to the poor. When this notion is focused explicitly on beneficiaries, it involves the building and nurturing of skills, ideas, networks, contacts, enthusiasm and vision among those whose participation the particular activity funded. It is the creation and enduring aspects of building peoples' capabilities which is most often of greater value and importance than either the financial sustainability of discrete projects, or the ability of local organisations to continue running these particular projects.

Environmental sustainability: The notion of sustainability needs to include and embrace an environmental dimension. At a general level, negatively and narrowly, discrete pictures and programmes need to be drawn up and carried out in a manner which, minimally, ensures that they do no lasting harm to the environment. Ideally, given the way that the environment has been damaged and continues to be damaged, NGO projects and programmes should, like other interventions, be drawn up and executed in a manner which leaves the environment in better shape for future generations than in the pre-project period. These notions are well encapsulated in the Brundtland (1996), Serageldin (1996), and other definitions mentioned above. This notion of sustainability has not in practice been applied in very poor and heavily populated countries e.g. in the case of agricultural practices of several poor countries, due to the demand of the greater number of people and their everyday needs. However we must remember still that environmental factors are crucial to a complete understanding of sustainability. In the case of NGOs it is even more important due to their indigenous and grass-root involvement.

From the above discussion, it becomes obvious that sustainability in NGO-led development projects needs to be understood in terms of their financial components, their institutional components, their human resource components and their environmental components, without exclusive focus on any single element. It is important to judge NGO projects within the context of their ability to stand on their own feet – in terms of sustainability in all regards. Yet, there is an equally important need to

focus all the time on quality of delivery and access, and to guard against an extreme view that those unable to utilise the market can be provided with basic needs, including productive needs, without the payment of any subsidy. But sustainability also needs to be seen beyond the narrow confines of the discrete projects and programmes funded. It must also include the notion of enhancing both the capacity of the executing NGO or agency and, ultimately, the capacity of the direct beneficiaries to take more control of their own lives and their development. Thus, by referring to all these, Riddell et al (1995, 59) tend to define sustainability in NGO context as follows:

*'All NGO projects and programmes need to be implemented with a view to furthering the ability of the beneficiaries to take more control over their lives. This will mean from the outset (pre-project assessment stage) that the funding/external organisation will need to review the steps required not only to encourage the executing agency/organisation to become more direct owners of the project or programme as soon as possible, but, equally, to ensure that the focus of attention extends beyond the discrete project or programme funded to the primary beneficiaries.'*

*Most immediately, all NGO projects and programmes need to be drawn up with a view to assessing the extent to which they should attempt to achieve financial and institutional sustainability, wherever possible within an explicit time-table, and in relation to the direct and indirect impact they will have on the environment. This assessment will need to include reviewing the concrete steps that need to be taken in order to increase the likelihood that an appropriate level of benefits will continue to be delivered for an extended period of time after major financial, managerial, and technical assistance has been withdrawn.*

*Equally, however, the requirement to review and assess all initiatives funded against the achievement of sustainability does not necessarily mean that the future financial or institutional sustainability should in all cases be a necessary requirement for funding discrete projects or programmes. In particular, financial and institutional sustainability need to be pursued only on condition that, especially for the poor and where basic needs or services are being provided, the quality of, and access to, the basic good or service provided will not be radically compromised. Where the good or service provided is considered essential to the basic well-being of the beneficiaries, and where alternative funding cannot be found, the inability to achieve either financial or institutional sustainability should not*

*constitute an impediment to funding such NGO initiatives. (Riddell et. al., 1995, 56)'*

The above factors of sustainability are focusing only on the project level activities of the development intervention. The emphasis on managerial capacity (of the concerned NGO) has been addressed – but the other important concerns of the development intervention, e.g., the *work environment of the host country*, the level of *commitments from the donor*, etc are somewhat absent in the way they have designed their understanding on the issue. Theoretical approaches to assessing sustainability could be improved by assessing the aspects of government policies (in the project's host country); management capacity and organisation of the concerned NGO; local participation, financial aspects, technological factors, socio-cultural factors in a donor-recipient perspective. (see, e.g., Hossain 2000b, 26-33) It has already been mentioned that the study is limited mainly to Nordic NGO involvement in Bangladesh and Nepal. The expectation is that certain findings from this study could be generalised to the functioning of NGOs elsewhere. Therefore, the theoretical approach underlying the research aims of analysing and understanding the issues of sustainability by assessing the above (see also OECD 1989; Hossain 2000b, 31-32) aspects of NGO initiatives empirically at the project level in the larger context of:

- target country environment and the NGOs;
- commitment and policies of the donors;
- management capacity of the operating NGOs.



### **3.0: NGOs IN NORDIC DEVELOPMENT AID: PERSPECTIVES FROM DONOR COUNTRIES**

#### **3.1: DENMARK: DANIDA'S NGO ASSISTANCE**

Denmark's official development assistance in 1999 amounted to USD 1.733 billion or 1.01 per cent of GNP (DANIDA 1999). Denmark acknowledges (DANIDA 1993a) that relations between Denmark and developing countries are multifarious. They exist in the spheres of politics, economics, trade and culture; and also in development assistance - bilateral aid in direct co-operation between Denmark and the individual recipient country, and multilateral assistance, i.e., aid channelled through, for example, the United Nations, the European Union, the World Bank, and the Regional Development Banks. Within the field of development assistance, Danish International Development Assistance (DANIDA) denotes the activities relating to Denmark's co-operation with developing countries.

For many years, Denmark together with Sweden, Norway and the Netherlands has fulfilled the United Nations' goal that the rich countries shall transfer at least 0.7 per cent of their gross national product (GNP), as assistance to the poorer countries. Denmark's overseas development assistance (ODA) by 1999 reached a level of 1.01 percent of GNP (DANIDA 1993a; 1994b,1; 1999). Due to changes in the arena of world politics, for example the end of the Cold War, the emergence of economically, ethnically and politically unstable new states has recently changed the role and nature of Danish aid, which is continuously being reflected in their new aid strategy for Danish development policy. (DANIDA 1994a). The overall principle of Danish development assistance is to create durable improvements for the recipients. According to DANIDA (see DANIDA 1989; 1992; 1993a; 1993b; 1993c; 1994a; 1994b; 1999), all Danish aid is poverty-oriented and concentrated on the poorest (poorest of the poor) segments of the population of the individual countries. In addition to this principle of poverty-oriented aid, environmental considerations, involvement of women in the development process, human rights and democratisation efforts of the Southern societies are important concerns of Danish aid.

#### **DANIDA's co-operation with NGOs**

Danish NGOs play an important role in Danish development assistance, in both bilateral and humanitarian assistance (DANIDA 1999). Co-operation with NGOs in the field of

development assistance is of long standing in the case of Denmark and comprises not only joint financing of aid projects but also the administration of the volunteer programme (under the responsibility of the Danish Association for International Co-operation), and collaboration in the public information sector (five-sixths of DANIDA's information budget was channelled to NGOs already in its budget for 1977-78). Co-ordination with voluntary agencies was to a great extent ensured through two bodies established to advise the Minister for Foreign Affairs on aid matters, the Board for International Development Co-operation and the Council for International Development Co-operation, which both count representatives of several such agencies among their members. (OECD, 1981, 30) The above was the picture of Denmark's co-operation with NGOs throughout the 1970s. There has not been any single unit for DANIDA's contacts and co-operation with NGOs. Various aspects of NGO contacts were handled by the divisions and sections concerned; thus the Information Unit used to deal with collaboration in the field of public information, a section within the Administrative and Budgetary Division used to be responsible for the contacts with the Danish Association for International Co-operation for the volunteer programme, etc. In its joint financing with NGOs of development activities, DANIDA used to give priority to the same sectors as in its direct ODA efforts, i.e., rural development, education and health etc. After a policy decision in early 1978, collaboration with NGOs has been strengthened, and the Danish authorities got the possibility to finance projects in the main recipient countries even if they exceed the indicative planning figures established for official Danish assistance to these countries. (OECD 1981, 30) Throughout the eighties and early nineties, DANIDA's aid volume for NGOs increased substantially and the aid strategies for NGOs also changed and developed by different policy decisions.

DANIDA's (DANIDA 1992, 45) funds channelled through Danish NGOs continued to grow since the decision was made in 1987 to increase co-operation between DANIDA and the NGOs, and they used to make up 11 per cent of DANIDA's total aid. In 1991 actual disbursements through NGOs totalled DKK 841,5 million (US\$ 131,5 million) out of which 1/3 were allocated to funding projects identified by the NGOs and 1/6 to projects identified by DANIDA with NGOs as implementing agencies. 1991 was the first year that the implementation of NGO projects not only required but, also exceeded five per cent of the total appropriation for bilateral co-operation. In 1999 total expenditure on bilateral Danish NGO assistance amounted to USD 131 million (DANIDA 1999).

The guidelines for co-operation with Danish NGOs were revised in 1990. The guideline stressed the importance of local institution building and local integration of projects. Consequently, NGOs were encouraged to build in elements to strengthen the capacity of their local partners in all project co-operation. (DANIDA 1992, 45) Furthermore, the revised guidelines allowed for a slight increase in the amount that

Danish NGOs could use for covering administrative costs in Denmark. According to the above-mentioned guidelines, the NGOs could now use up to seven per cent of the total commitment on administrative costs in Denmark. The bigger NGOs still financed at least ten per cent of the total costs of the project themselves, while smaller NGOs could receive support for the total budget of the project. (DANIDA 1992, 46)

From January 1990 the authorisation of the DANIDA Field Offices (usually affiliated with the Royal Danish Embassy/Consulate General) to allocate funds for local NGO-projects was increased from DKK 1 million (US\$ 0.2 million) to DKK 3 million (US\$ 0.5) per project. As intended, the effect has been increasing direct co-operation with local NGOs. (DANIDA 1992, 47)

In the recent past, Danish NGOs have been channelling 12.3 per cent of the total Danish ODA. The geographical focus of the Danish NGOs is mainly on Africa (62 per cent), while Asia and Latin America accounted for 18 per cent and 17 per cent, respectively. International activities make up the remaining 3 per cent. With regard to the recent sectoral distribution, 56 per cent of the NGO disbursements were related to social infrastructure, 40 per cent to the productive sectors, and 4 per cent to economic infrastructure (DANIDA 1994b, 41, 42).

## **DANIDA's NGO strategy in the 1990s**

In December 1993 DANIDA presented a new strategy for DANIDA's co-operation with NGOs. The cornerstone of the co-operation is the recognition of the comparative advantages of the NGOs and their ability to establish a firmly popular anchoring of the development efforts. The new co-operation strategy attaches great importance to:

- The NGOs' popular basis in Denmark.
- The contacts to target groups in the developing countries.
- The ability to facilitate mutual understanding and contacts between the NGOs constituency in the North and the target groups in the South.

Now the Danish NGOs can engage in assistance in a wide range of countries and sectors according to their own specific priorities. DANIDA's new co-operation strategy with NGOs has led to a reorientation in some of the important areas like:

- NGOs with framework agreements are to take over more of the operational responsibility in connection with project implementation.
- The monitoring of large and medium-sized NGOs, which have entered into a framework or mini-programme agreement<sup>1</sup> with DANIDA, takes as its focus the

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<sup>1</sup>DANIDA's 'framework agreement', 'mini programme agreement' and 'single project' policy will be described in the following pages.

organisation's capacity and ability to implement development projects rather than the project themselves.

- DANIDA's consideration in financing consultants in networking NGOs to help them in building up their organisation and in formulating new strategies.
- DANIDA's consideration in establishing professional dialogue between DANIDA and the NGOs in the formulation of DANIDA's sector and country strategies.
- DANIDA's consideration for the simplification of the administrative work for NGOs regarding single project applications and the consideration of 7 per cent administrative cost.
- Furthermore, since January 1995 NGOs are no longer required to fund part of project expenses. (DANIDA 1994 b, 42, 43)

At present DANIDA has five major instruments for supporting bilateral development projects of NGOs and these are (DANIDA 1994b, 43, 44; DANIDA 1999):

#### Framework Agreements

The largest Danish NGOs have framework agreements with DANIDA. The yearly budget for individual NGOs varies between DKK 35 and 125 million (US\$ 5.3 - 19.2 million). The framework agreements allow the Danish NGOs more responsibility for the detailed planning and project implementation within a negotiated policy and budget framework, and thus confer a larger degree of autonomy and flexibility on the NGO while minimising reporting and other administrative requirements.

#### Mini-Programme Agreements

DANIDA's mini programme agreements are aimed at minor networking NGOs. The agreement ensures flexible funding agreements for organisations dealing with small projects and many different local partners. The mini programme agreements cover a two-year period, and projects up to DKK 250,000 (US\$ 38,568) can be initiated by the NGO without prior approval from DANIDA. The size of the two-year budget is about DKK 3 - 7 million (US\$ 0.5 - 1.1 million). The number of mini programme agreements has been increasing in recent years.

## Single Projects

Single projects have accounted for the largest part of DANIDA funds, channelled through NGOs. Typically, organisations that have too few development activities for a framework agreement or too few projects for a mini programme agreement apply on a project-by-project basis.

In addition to the above three, DANIDA supports ‘transitional assistance’ and ‘volunteer programmes’ of NGOs.

## **DANIDA's NGO support to Bangladesh and Nepal**

### **To Bangladesh**

DANIDA's NGO support to Bangladesh can be classified into two categories:

The *first category* is the Danish NGOs working in Bangladesh. Support to this category of Danish NGOs usually is being decided and carried out from DANIDA's head office, affiliated with the Danish Ministry of Foreign Affairs in Denmark. These organisations are involved in their activities with agriculture, health care, mother and child health, adult education, women's empowerment, building up economic structures, self-help activities etc. The Danish NGOs belonging to this category are (Sillasen 1994: Vinding 1995):

- CARE Denmark
- Dansk Blindesamfund
- Dansk Rode Kors
- Dansk Santalmission
- Fagbevaegelsens U-landssekretariat (FUS)
- FKN - Folkekirkens Nodhjaelp
- Foreningen for Folkehojskoler
- Red Barnet

In the *second category* belong the Bangladeshi NGOs partially or totally supported by the Royal Danish Embassy in Dhaka, Bangladesh. Support to these categories of Bangladeshi NGOs is usually decided or carried out by the Royal Danish Embassy in Dhaka. Around 28 Bangladeshi NGOs or NGO projects currently are or have recently been supported by the Royal Danish Embassy in Dhaka in the sector of primary health care, dairy, development planning, social infrastructure, education, production, non-

formal primary education, women in development, agriculture, human rights and water and sanitation project. The recent recipients are (Peterson 1995; ADAB 1994):

- Badda Self Help Centre
- Bangladesh Institute of Development Studies, BIDS
- Bangladesh National Herbarium
- Bangladesh Women's Health Coalition
- Center for Policy Dialog
- Centre for Mass Education in Science, CMES
- Centre for Scientific... (CESTI)
- Christian Reformed World Relief Committee (CRWRC)
- College of Nursing
- Dhaka Ahsania Mission
- Eskander Welfare Foundation
- Gonobidhapit
- Gonoshahajjo Sangstha
- Gulshan Literacy Programme
- Income Generation for Women
- International Centre for Diarrhoeal Disease Research-Bangladesh (ICDDR-B)
- International Development Enterprise
- Mennonite Central Committee (MCC)- Bangladesh
- Nari Maitree
- NGO Forum for Drinking Water Supply and Sanitation
- Rural Res. Dev. Centre
- Saptagram Nari Swanirvar Parishad
- Society for Urban Health
- The Bangladesh Society for the Enforcement of Human Rights-BSEHR
- Village Milk Development Corporation
- Women in Agriculture

## **To Nepal**

DANIDA's NGO support to Nepal can also be classified into two categories:

The *first category* is the Danish NGOs working in Nepal. Support to this category of Danish NGOs is usually decided and administered from DANIDA's head office, affiliated with the Danish Ministry of Foreign Affairs in Denmark. These NGOs are involved in Nepal with their activities in integrated rural development, agriculture, healthcare, technology and self-help development, forestry and wildlife preservation,

formal primary education, etc. The Danish NGOs working in Nepal are (Sillasen 1994; Vinding 1995):

- CARE Denmark
- Dansk Rode Kors
- Dansk Santalmission
- Det Danske Spejderkorps
- Fagbevaegelsens U-landssekretariat (FUS)
- FKN - Folkekirkens Nodhjaelp
- Landsforeningen for Bedre Horelse
- Mellempfolkeligt Samvirke

In the *second category* belong the Nepali NGOs supported by the DANIDA/Royal Danish Embassy in Kathmandu, Nepal. Support to these categories of Nepali NGOs is usually decided by the Royal Danish Embassy in Kathmandu. Annual funding to these organisations is nearly ten million DKK. About 27 Nepali NGOs including one INGO currently are or have recently been supported by the Royal Danish Embassy in Kathmandu. These organisations are supported with their activities in income-generation projects, self-help banking projects, human rights projects, childcare, poverty alleviation, biodiversity research, education, teachers training programmes, primary health care projects; and gender equality, irrigation, drinking water, environment, investigative journalism and multi-sectoral community development projects. The recent recipients are (Neupane 1997):

- Backward Society Education (BASE)
- CARE Nepal
- Centre for Environment and Agricultural Policy Research, Extension and Development (CEAPRED)
- Centre for Self-Help Development
- Centre for Investigative Journalism
- Centre for Victims of Torture
- Development Project Service Centre (DEPROSC)
- Dhaulagiri Community Resource Development Centre
- Innovative Development Education Academy (IDEA)
- Institute for Community Development
- Institute for Legal Research and Resources
- Institute of Community Services (ICS)
- Local Initiatives for Bio-Diversity Research and Development (LI-Bird)
- Mountain Research Institute
- Mountain Resource Management Group (MRMG)
- Rural Self-Reliance Development Centre (RSDC)

- Rural Women Development Centre (RWDC)
- Sanchakira Samuha (SAS-Nepal)
- Self-Help Group for Cerebral Palsy
- Services for Underprivileged Section of Society (SUSS)
- Shree Gandaki Technical Training Centre (SGTTC)
- Social Welfare Centre, Lamjung
- Society for Constitutional and Parliamentary Exercise (SCOPE)
- Support Activities for Poor Producers of Nepal (SAPPROS)
- Tamakoshi Sewa Samiti (TSS)
- Union for Rural Development Services, Tanahu
- Women in Environment

### **3.2: FINLAND: NGO ASSISTANCE OF THE DEPARTMENT FOR INTERNATIONAL DEVELOPMENT CO-OPERATION OF THE MINISTRY FOR FOREIGN AFFAIRS OF FINLAND**

Development co-operation is a part of Finland's foreign policy. Through development co-operation, Finland wants to promote sustainable development and well-being in developing countries. In addition, through development aid, Finland aims to help to ensure stable peace, equality, democracy and human rights and aims at increasing beneficial interaction between Finland and developing countries.

The goals of Finnish development co-operation are said to be *a.* to promote global security; *b.* to reduce widespread poverty; *c.* to promote human rights and democracy; *d.* to prevent global environmental problems; and *e.* to promote economic interaction. (Ministry for Foreign Affairs of Finland 2000; also see e.g. FINNIDA 1993a; Ministry for Foreign Affairs of Finland 1996) Within the field of development assistance, the Department for International Development Co-operation (formerly known as FINNIDA<sup>2</sup>) of the Ministry for Foreign Affairs of Finland denotes the activities relating to Finland's co-operation with developing countries.

Due to the economic recession, as the official aid documents argue, Finnish budget appropriation for development co-operation has been cut drastically since 1991. In 1991, development co-operation payments amounted to 0.8% of gross national income; by 1993, they were down to 0.3%. Finland has approved a goal of 0.7%. In 1995, the average GDP share of development co-operation for all EU countries was

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<sup>2</sup> The term Finnish International Development Agency (FINNIDA) is still used here in this study for convenience.



0.38%, whereas the corresponding figure for the Nordic countries was over 0.8%. In recent years the Government of Finland considered that Finland should in the long term try to achieve the Nordic level of development co-operation and should in the short term attain the average level of the European Union (EU) member countries. (Ministry for Foreign Affairs of Finland 1996, 7) The previous target (see for example FINNIDA 1993b, 3; FINNIDA 1994a, 5) of reaching the internationally set ODA target of 0.7% by the year 2000 was changed. After the beginning of economic depression in Finland, in April 1992 the government decided to set the ODA allocation at a provisional level of 0.4% of the GNP for 1993-1995. The government then announced its willingness to increase aid funds again once economic conditions had improved. (FINNIDA 1995a, 9) During late 1996 (12.9.1996), the cabinet prepared the 'Decision-in-principle in Finland's Development Co-operation', where the government "sets as a target to increase the budget for development co-operation so as to attain the level of 0.4% of gross national income by the year 2000. Furthermore, Finland reaffirms its commitment to attain the UN recommendation of 0.7% of national income in the long term." In addition, the decision-in-principle (Ministry for Foreign Affairs of Finland 1996, 7) stated that while committing itself to the important targets specified in the decision-in-principle, the government emphasised that quantitative targets should always be subordinate to the quality of assistance, and to the lasting impact on development thereby achieved. The decision-in-principle furthermore added that the quantitative increases in assistance could be based only on regular information on the impact of assistance and on the practical implementation of Finland's development co-operation strategy and this decision-in-principle. The Finnish development co-operation budget in 1998 was USD 396 million and was 0.32 per cent of the GNP. (Ministry for Foreign Affairs of Finland 2000, 195)

### **FINNIDA's co-operation with NGOs**

Before the 1970s, from Finland development work in developing countries was done by a few Finnish missionary societies. Without assistance from the Finnish government, some of these societies had been involved in projects in the fields of social welfare, education and health-care for more than a century. Thus, in Finland church-related organisations have often been considered pioneers of modern NGO development initiatives. (FINNIDA 1994a, 25) In the mid-1970s the Finnish Government's co-operation with NGOs in the field of development assistance comprised the co-financing of projects in developing countries, the financial support of scholarship and training programmes sponsored by such organisations, and information programmes about development aid activities and development problems generally. In its 1974 'Policy

Programme' contained a set of general guidelines for Finland's development co-operation, the Cabinet stressed the need for strengthening collaboration with the NGOs, and to that effect separate appropriations for the support of NGO-led development aid projects and information activities (\$136,000 and \$54,000 respectively) were included for the first time in the 1975 aid budget. (OECD 1981, 32) No special unit was established for collaboration with NGOs in the Department for International Development Co-operation. This was the picture in the mid-70s. In 1978 the government-appointed Development Co-operation Committee placed great emphasis on support to NGO activities within the framework of 'selective increases' in resources for development education and recommended that funds appropriated for this purpose should be allowed to grow at least at the same rate as the aid budget as a whole. (OECD 1981, 33)

From 1974 onwards, each year on behalf of the Government of Finland, FINNIDA had the responsibility and provided funds for the development work of Finnish NGOs. Since 1986, the responsibility to support NGO activities went to the Division for Non-Governmental Organisations of FINNIDA. The major responsibilities of this division are to provide funds to NGOs for development projects, to do NGO information work in association with FINNIDA's information unit, to fund Finnish Volunteer Service/Service Centre for Development Co-operation and to perform responsibilities related to support to international and Southern NGOs. (FINNIDA 1994a, 29-32). As its strategic goals and means for Finnish development co-operation in the 1990s, FINNIDA recognises Finnish NGOs and missionary organisations as development co-operation channels. FINNIDA stated (FINNIDA 1993c, 30) that these channels could be used to achieve goals that might be difficult to reach by official means. The most important of these are:

- implementation of such projects in developing countries that would be difficult to implement or influence through official channels;
- the extension of contacts between Finland and developing countries to countries where there is no official development co-operation and
- giving personal experience of development co-operation to large numbers of ordinary people.

In addition, the Government of Finland acknowledges (FINNIDA 1995a, 5) that the objectives of NGO projects in developing countries basically remain the same as those of the current policies of Finland's official development co-operation: a) to reduce widespread poverty in developing countries; b) to combat global threats to the environment by helping the developing countries to solve their environment problems; and c) to promote social equality, democracy and human rights in developing countries.

Finnish NGOs are also working in areas such as poverty alleviation, environmental protection and promotion of participatory development, the ultimate goal being to strengthen the capacities of local NGOs and the NGOs in general, thereby promoting the principles of pluralistic civil societies and the foundations of democracy. (FINNIDA 1995a, 36) At present, FINNIDA has several modes of support to NGO activities and these are (see also Ministry for Foreign Affairs of Finland 2000, 170-174):

### Support for Finnish NGOs

FINNIDA's NGO support programme mainly supports the project work of the Finnish NGOs in developing countries. The great majority of Finnish NGO-led development projects in developing countries focuses on health care, education and other social services. In 1994, FINNIDA provided approximately US\$ 24.8 million for NGO activities. The bulk of this sum was allocated for nearly 400 projects implemented by 150 Finnish NGOs in 70 developing countries. As an established rule, usually (the only exception being NGOs with disability work) the Finnish NGOs bear at least 25 per cent of the project cost and the remaining 75 per cent support comes from FINNIDA. Apart from project support, FINNIDA also provides financial support to Finnish NGOs for information and development education work in Finland on issues related to development and developing countries. (FINNIDA 1995a, 36) In addition, FINNIDA has 'frame agreements' with a limited number of larger Finnish NGOs, which gives a degree of financial and managerial flexibility to these NGOs in using FINNIDA's funds. (FINNIDA 1994a, 58, 59)

### Support for International and NGOs in developing countries

A limited number of International NGOs (INGOs) also receive financial support from the Government of Finland. In 1994 direct support was provided to 13 INGOs. These INGOs are mostly involved with their activities in the areas of environment conservation, adult education, information work, research, human rights and women in development. According to FINNIDA, the rationale behind this form of support is the extensive experience, world-wide networks, specialised expertise and well-established links between industrialised and developing countries in these organisations. (FINNIDA 1995a, 37) In 1996 sixteen INGOs received direct financial support from FINNIDA. Disabled People's International (DPI), Earth Action, Friends of the Earth International (FoEI), International Co-operative Alliance (ICA), Inter Press Service (IPS), International Women's Tribune Centre (IWTC), Population Council, World Wide Fund for Nature (WWF) are among those 16 INGOs that received support from the Government of Finland. (Ulkoasiainministeriö 1996b, 115-120)

Since 1988 the Government of Finland has been supporting to a certain extent the indigenous NGOs in developing countries. (FINNIDA 1993b, 27) This support was channelled through 22 Finnish embassies in developing countries with a concentration in Ethiopia, India, Kenya, Mexico, Namibia, Zambia, Tanzania and Thailand (FINNIDA 1994a, 31) Support to NGOs in developing countries was interrupted in the year 1993 because of cuts in the Finnish aid budget. (FINNIDA 1993b, 27) Again, Finnish support to indigenous NGOs in developing countries in the year 1994 was channelled through funds administered by fifteen selected Finnish Embassies in developing countries, all of which were entitled to distribute up to US\$ 0.2 million for projects implemented by local NGOs mainly involved in humanitarian and social sector activities. (FINNIDA 1995a, 37)

### Co-operation with the Service Center for Development Cooperation

The Service Centre for Development Co-operation (Kepa) Kepa is the umbrella organisation of 150 Finnish NGOs and is largely financed by the Ministry for Foreign Affairs in its co-ordination and related activities with the member NGOs. In 1999, a total of FIM 27 million was given in support for the Center to spend on its work in Finland and the developing countries. (Ministry for Foreign Affairs of Finland 2000, 172-173)

### Information Support

The Government of Finland has an NGO information support programme for Finnish NGOs. This support is meant to encourage and expand involvement and interest in development activities at home and abroad by promoting debate on development issues and by increasing public awareness and understanding of the problems of the developing world. This is done by funding NGO initiatives that provide basic information on a wide range of issues such as poverty, refugees, environment, women in development, population, human rights etc. This assistance is mainly channelled through specific campaigns and the mass media, and targeted primarily towards the young. In 1994, 82 Finnish NGOs obtained funding for their information operations. (FINNIDA 1995a, 37) In 1996, 89 Finnish NGOs received information support for their information activities. (Ulkoasiainministeriö 1996b, 123-125)

In addition, the Government of Finland supports the NGO activities through EU joint funding and supports Finnish NGO projects in Finland's neighbour countries. The Government also support NGOs from FINNIDA's humanitarian aid budget from the

Division for Humanitarian Assistance. (Ministry for Foreign Affairs of Finland 2000, 173-174)

## **FINNIDA's aid share for NGOs**

Although in the recent past, the ODA volume of the Government of Finland has been drastically cut, the aid share for NGOs has been continually increasing. As previously mentioned, FINNIDA has been supporting the development work of NGOs since 1974. FINNIDA's support for FNGO projects totalled FIM 18.2 million in 1984, and rose to over FIM 120 million by 1992, although the official support for NGOs has stayed below the average of OECD donors. (FINNIDA 1994a, 30) Until the mid-1990s, the appropriations for NGO activities remained virtually intact and the relative aid share even increased, e.g., 5.6 per cent in 1992 to 5.9 per cent of the total official development assistance in 1993 and the percentage is gradually increasing. During the recent past, FINNIDA was funding over 400 separate NGO development projects by 150 Finnish NGOs in 70 different developing countries. In 1994 approximately USD 24.8 million was provided for NGO activities. (FINNIDA 1993b, 27-28; 1995a, 36.37) Finland's NGO programme has traditionally been relatively small and the funds spread across many countries. However, it has grown in absolute terms and to 1992, the overall cuts have not affected its share of total aid to NGO projects. The Government, and particularly Parliament, has increasingly emphasised the positive and important role of NGOs in the development process. Another source reveals, till the mid-1990s, that there were some 180 NGOs in receipt of Finnish official aid for development activities. These organisations support some 400 projects in nearly 70 developing countries. (FINNIDA 1994a, 25). Because of the positive support of the Government, the NGO support has increased dramatically, from FIM 3,7 million in 1980 to FIM 124 million in 1994. This represents the share of the total development aid of Finland for NGOs: 0,9% in 1980 and 6,7% in 1994. (FINNIDA 1995b; Eräpohja 1995)

The great majority of projects have continued to focus on health care, education and other social services. In recent years, together these sectors accounted for nearly 80 per cent of total allocations. Geographically Africa's share of the total support was 67 per cent, of which two-thirds was directed to the eastern and southern African countries. Approximately 17 per cent were allotted for projects in Asia and 8 per cent in South America.

## **Recent trends in FINNIDA's NGO strategy**

On 12.9.1996 the Cabinet of Finland prepared the 'Decision-in-principle of Finland's Development Co-operation', in which the government stated (Ministry for Foreign Affairs of Finland 1996, 6) that:

'NGOs have a significant role in providing a foundation and resources for Finland's development co-operation and in diversifying our contacts with developing countries. NGOs play a vital role in strengthening the sense of global solidarity among the Finnish people. One of their principle objectives is to contribute to building up a civic society within developing countries. The state will continue to support this objective in line with the current principles, which provide the organisations considerable latitude in the choice of partners within the parameters of Finland's general development strategy.

The government will:

- gradually increase the assistance channelled through NGOs to 10-15 per cent of the budget for development co-operation proper;
- encourage NGOs to participate in bilateral assistance projects and humanitarian aid and, together with these organisations, investigate the adoption of new forms of support and financing.'

The aid percentage for NGOs in Finnish development co-operation is on the increase and the new 'Decision-In-Principle' creates a possibility for NGOs to get involved in bilateral assistance projects. So, the major practicalities of Finnish co-operation with NGOs largely remain to be seen in the years to come.

Since the decision-in-principle was made, the aid share for NGOs has increased. In the 1999 budget, the aid proportion is some 11 per cent, or FIM 185 million. In this amount, some FIM 131 million was channeled into project support for Finnish NGOs. However, about 50 per cent of the project support was granted to only six NGOs, having 'framework agreements' with the Department of International Development Cooperation. (Ministry for Foreign Affairs 2000, 170)

## **FINNIDA's NGO support to Bangladesh and Nepal**

### **To Bangladesh**

FINNIDA's NGO support to Bangladesh in recent years has been channelled through the Finnish NGOs working in Bangladesh. Support to this category of Finnish NGOs, has usually been decided and done from the Department for International Development Co-operation of the Ministry for Foreign Affairs of Finland in Helsinki. These NGOs are involved in Bangladesh with their activities in rural development, health service, health education, basic education and schooling, self-help development, women in development, support to a microbiological laboratory, day care centres, orphanages, and social and community development. The Finnish NGOs working in Bangladesh in recent years are (Ulkoasiainministeriö 1996a, Ulkoasiainministeriö 1996b, Eräpohja 1995, Räisänen 1994):

- Evankelis-luterilainen lähetysyhdistus kylväjä
- Kirkon ulkomaanapu
- Lääkäriin sosiaalinen vastuu
- Sabalamby unnayan samity tuki
- Suomen vapaa ulkolähetys
- Suomen World Vision
- Uusi tuuli

Finland does not have an embassy in Bangladesh. Most of the necessary work between the two countries has been done by the Embassy of Finland in New Delhi, India. At present no financial assistance is directly provided by the Embassy of Finland in New Delhi to any local NGO in Bangladesh (Aho 1997).

### **To Nepal**

FINNIDA's NGO support to Nepal in recent years has also been carried out through the Finnish NGOs working in Nepal. Support to this category of Finnish NGOs has usually been decided and carried out from the Department for International Development Co-operation of the Ministry for Foreign Affairs of Finland in Helsinki. These NGOs are involved in Nepal with their activities in rural development, leprosy service, home-based health service and schooling, social and community development, and metal works and training. The Finnish NGOs working in Nepal in recent years are (Ulkoasiainministeriö 1996a, Ulkoasiainministeriö 1996b, Eräpohja 1995, Räisänen 1994):

- Lions Club Järvenpää
- Kirkon ulkomaanapu
- Suomen leprälähetys
- Suomen lähetysseura
- Suomen punainen risti
- Suomen vapaakirkko
- Suomi-Nepal seura

In Nepal some small projects are directly financed by the Embassy of Finland in Kathmandu within the period 1.7.1996 - 30.6.1997. No small projects were financed earlier. A total of 100.000 FIM has been reserved for these projects in 1997/98. (Hurtig 1997)

### "SMALL PROJECTS

The funds (about 100,000 FIM per year) are reserved for small projects implemented by Nepalese NGOs or similar organizations. The appropriation of 1996 was used for the following projects:

1. Sunkoshi Community Health Post. The aim of the project is to complete the construction of the community health post and to provide a piped water system and other essential equipments. The project was completed in January 1997. The costs are 16,400 FIM.
2. Water Supply in Nuwakot area. The aim of the project is to provide a water supply system for three villages. The costs are: 9,600 FIM, 12,000 FIM and 7,200 FIM. Total 28,000 FIM. The construction is in progress.
3. Strengthening of Democracy. A two-day workshop was organized for 15 parliamentarians as a pilot project. The subject was "How to be good parliamentarians". Based on the experience of this pilot project more workshops will possibly be organized in the future. Costs 12,200 FIM.
4. Providing the equipment for the Red Cross-supported blood transfusion centre in Nawalparasi district. The project was inaugurated in March 1997, but some small works are still under construction. Costs 32,300 FIM.
5. Creation of a fund for poor, disabled people. The rehabilitation costs will be financed from this fund. Costs 8,000 FIM. The money will be used during the year 1997.
6. Skill Development in Chalk Making for members of Nepal Society for Disabled. Costs 23,000 FIM. Project will be completed by end of 1997." (Hurtig 1997)



### **3.3: NORWAY: NORAD'S NGO ASSISTANCE**

Norway finances the long-term development co-operation of approximately one hundred developing countries on four continents. The primary goal for the development co-operation is to contribute to permanent improvements in the economic, social and political conditions for the people in the developing countries, with special emphasis on that the help shall benefit the poorest (NORAD 2000, 2). Norway's strong commitment to the reduction of poverty in Third World countries is reflected in the large size of its aid effort as well as in the general orientation and quality of its development co-operation programme. Rating ODA volume in terms of GNP places Norway at the top level among DAC donors: with an ODA/GNP ratio of 1.05 per cent in 1994 and 0.87 per cent in 1995, Norway ranked first and second respectively in national effort.

Norway plays an active role in international diplomacy and the articulation of global development issues and it organises rapid and effective responses to human emergencies in developing countries. The focus placed on assisting poorer countries is strong by DAC standards: 72 per cent of Norwegian bilateral ODA was channelled to poorer countries (LLDCs and other LICs) in 1994, as compared to a total DAC share of 60 per cent. The political and economic challenges of the new global context bring about wider horizons for development co-operation, with an increased emphasis on environment and social issues, on conflict resolution and democratic development and on interaction with emerging new trade and investment partners. Aid has thus become a more active part of Norway's foreign policy. (OECD 1997, 157)

In a 1995 report (Royal Norwegian Ministry of Foreign Affairs 1995, 5-6), Norway stated that Norwegian policy towards developing countries must at all times attempt to adapt to the challenges and opportunities facing the developing countries and the international community. The report stated the main goal of Norwegian South policy as:

- To contribute towards promoting peace, human rights and democracy.
- To contribute towards economic and social development for poor countries and population groups.
- To contribute towards sound management of the global environment and biological diversity.
- To contribute towards promoting equal rights and opportunities for women and men in all areas of society. and
- To contribute towards preventing and alleviating distress arising from conflicts and natural disasters.

Within the field of development assistance, among other agencies, the Norwegian Agency for Development Co-operation (NORAD) denotes the activities relating to Norway's co-operation with developing countries. NORAD is the planning and executive organ for Norway's co-operation with developing countries, and is responsible for the administration of the bilateral part of this co-operation. In 1994, several organisational changes were made in NORAD, while the work of integrating NORAD's offices abroad with the Norwegian embassies in the respective countries continued. (NORAD 1995, 8; see also e.g. NORAD 2000, 2) Basic strategies and priority areas of NORAD's co-operation are: sustainable development, democracy and human rights, productive activities and employment, environment, population, gender issues, institutional development, and cultural co-operation. (NORAD 1994a, 14-25) To come to details, the sectors and modes of co-operation are projects related to: children, AIDS, health, population, water, energy, transport, telecommunications, cartography and regional planning, rural development, agriculture, forestry, fisheries, education, and training and scholarships. (NORAD 1995, 12-15) NORAD's development co-operation in recent years was implemented in these sectors in developing countries. In 1999 NORAD's budget was NOK 4130,5 million. (NORAD 2000, 3)

### **NORAD's co-operation with NGOs**

Norwegian missionary organisations had since the middle of the last century been active with religious and welfare activities in countries like Madagascar, South Africa and China. With the support of their congregations in Norway, they used to carry out their traditional missionary work along with establishing hospitals, schools etc. Before 1963, 20 organisations were working in developing countries with their own funds. For the first time, in 1963, 7 Norwegian NGOs (private organisations) received state support of NOK 3 million for their seven projects in developing countries. (Tvedt 1995, 1-2) The guidelines for financial support of NGO activities in developing countries, adopted by the NORAD Board in 1977, comprised directives for five different types of costs (e.g., project investment costs, running costs, pre-investment and feasibility studies costs, costs related to training to Norwegian and third-country personnel and costs in connection with the training of locally employed personnel) that could be covered through government funds. (OECD 1981, 55, 56) In the establishment of the NGO Division in 1978, the State institutionalised the support of Norwegian NGOs. Throughout the 1970s the aid share and policy for NGOs in Norwegian aid was developing and it took an institutional shape, which Tvedt (1995, 2) called the 'establishment phase'.

Throughout the 1980s, the aid share for NGOs was on the increase in Norway. Direct support to local NGOs in developing countries and international NGOs, through 'frame agreements' between NORAD and the largest Norwegian NGOs, were supported by the policy guidelines in Norway in this decade. By 1991, 134 Norwegian NGOs, many hundreds of local NGOs and about 30 international NGOs have been working in about 100 countries with the support of NOK 1.2 billion from the Norwegian government. (Tvedt 1995, 2) In the beginning of the 1990s Norwegian organisations with more than 1500 projects worked in about 100 countries. More than 25 per cent of bilateral aid was given to the NGOs, and the percentage was increasing. (Tvedt 1995, i) In the guidelines for assisting Norwegian NGOs (NORAD 1994b, 2) NORAD acknowledges that NGOs are today an important part of overall Norwegian development co-operation. In Government White Paper No. 51 of the Norwegian Parliament (1991-92) and in NORAD's strategy for bilateral development co-operation in the 1990s, emphasis is placed on the efforts of NGOs as a part of the overall Norwegian development endeavours. NORAD's support through Norwegian, local, regional and international NGOs including research foundations and research institutions in 1999 came to NOK 1266,1 million. (NORAD 2000, 43) NORAD has broad and comprehensive co-operation with Norwegian, international and national organisations in developing countries. The main goal of NORAD's co-operation with NGOs is to strengthen civilian organisations and institutions in the South in order to contribute towards diversity, democratisation, and increased respect for human rights. Another important objective is to facilitate reaching poor and vulnerable groups with basic social and economic services, and to increase local incomes and employment. (NORAD 1995, 16) A 1995 (22.12.1995) report of the Royal Norwegian Ministry of Foreign Affairs to the Norwegian Parliament stated that in the light of the values and goals on which Norwegian South policy is based, the Government deems it important to maintain close, active co-operation with NGOs, whose expertise and commitment make a vital contribution to co-operation between governments. NGOs also help to ensure popular participation in North-South efforts in a way that public authorities cannot achieve. The same report states that NGOs play a major role in Norwegian development aid. The Government wishes to facilitate the continued high involvement of NGOs in development co-operation, with increasing emphasis on ensuring that they contribute towards strengthening civil society in Norway's partner countries, i.e. through organisational development. (Royal Norwegian Ministry of Foreign Affairs 1995, 6; 44) In addition, NORAD describes in its guidelines (NORAD 1994b, 5) the objectives for government assistance through Norwegian NGOs, as follows:

## **Objectives for government assistance through Non-Governmental Organisations (NGOs)**

The principal objective of NORAD's co-operation with Norwegian NGOs is to promote sustainable development in the least developed countries. Consequently, short-term humanitarian assistance and purely welfare measures without fundamental, long-term development perspectives fall outside the scope of NORAD-NGO collaboration. The chief objectives of NORAD's assistance to the organisations' long term development work are to:

- \* Strengthen popular, local/national civilian organisations, thereby promoting diversity, democratisation and increased respect for human rights. Such popular mobilisation is also important for economic and social development.
- \* Contribute towards poor and vulnerable target groups being reached with fundamental social and economic services essential to the development of human resources, and provide a foundation for increasing income and employment.
- \* Add breadth and variety to Norwegian development assistance in which many participants with different roles can work effectively together.
- \* Strengthen solidarity between the people in Norway and those in the Third World through, e.g., the dissemination of information, the creation of awareness and positive public attitudes.

Unless agree otherwise, all NORAD support is limited upward to 80 per cent of the budget costs. Thus, the executing NGOs share should represent not less than 20 per cent of the project cost. (NORAD 1994b, 7) In 1994 NORAD entered into new five year agreements with 13 organisations. The same year NORAD had frame agreements with 24 Norwegian NGOs. (NORAD 1995, 16).

## **The mode of co-operation and amount of NORAD's support to NGO activities**

### Co-operation with Norwegian NGOs:

NORAD acknowledges (NORAD 1995, 16) that experience of co-operation with Norwegian NGOs often achieves good results in reaching vulnerable groups and they make important contributions toward the attainment of vital development goals. At the

same time, NORAD also claims that many organisations make little effort to enlist the potential that may often be found in locally available resources, thus becoming extremely dependent on external support. In 1994, NOK 575.8 million was paid out to projects and programmes under the auspices of Norwegian NGOs.

NORAD has three models of collaboration with Norwegian NGOs (NORAD 1994,b, 8-9). These are:

a. Contract for support to a single initiative

As a basis for providing support funds for a particular project, there must be a contract signed by both parties. The contract stipulates the conditions for using the support funds for the project as well as the organisation's obligations with regard to implementation, reporting, accounting/auditing, etc. Single-project agreements covering more than one year are based on the total budget of the project or projects, but NORAD can allocate funds for only a single year at a time.

b. Project-based/framework agreements

A framework agreement may be entered into with organisations fulfilling all minimum requirements and having several years' experience in project work supported by NORAD. To qualify themselves, the organisations must in previous collaboration have demonstrated that they have the capacity and competence to use support funds efficiently, and they must be able to submit documented, well-established mandatory routines for follow-up, planning, implementation and evaluation of their own development activities.

Objectives and strategies for the relevant areas/sectors are clearly stated in the contract. No substantive changes in approved objectives or strategies affecting the framework-agreement may be introduced without the prior approval of NORAD. The period of contract is usually set at five years. The agreement contains provisions regulating the co-operation between NORAD and the organisation with regard to reporting and accounting routines, consultations, project reviews/assessments, and the organisation's powers of attorney. The contract itself contains no provisions as to the amount of the support funds. The amount covered by the contract shall be stated in the annual contract annex, which shall also indicate a budgetary framework for the following two years. NORAD, in collaboration with each organisation, will carry out a joint review of all the framework agreements during the course of the five-year period.

c. Program-based agreements

A program-based framework agreement is not confined to individual projects, but requires that the organisation's selection of single measures, its choice of approach and methods of planning, implementation and assessment, be based on an integrated and co-ordinated program concept. The objectives for each program must be specified in such a way that the annual report to NORAD can serve as a sufficient basis for the following up of results. Moreover, the basic terms applying to project-based framework agreements apply also to programme-based agreements.

### Co-operation with local NGOs in developing countries

Collaboration with local NGOs is an important aspect of Norwegian assistance to programme countries. The recent experience of NORAD shows that in the sector of collaboration with local NGOs in developing countries, much work still remains to be done in some countries to integrate support for local organisations with the rest of Norwegian development assistance in the achievement of common goals. (NORAD 1995, 16) NORAD acknowledges (NORAD 1994c, 16) that its co-operation with local NGOs accounts for an important part of total Norwegian assistance for programme countries. On the basis of approved plans, authority is delegated to the Resident Representative in the concerned developing countries. It has been made clear that the special role of NGOs in relation to the strategic choices and priorities of overall Norwegian assistance to the country concerned must be clearly visible in the development planning documents, e.g., country strategies and country programmes.

There have also been critical views of aspects of the support provided by Norwegian authorities direct to NGOs in developing countries. (see e.g. Tvedt 1995, xv, 109 and the above mentioned report to the Storting 1995, 44) In response to these views the Government stated in the report (Royal Norwegian Ministry of Foreign Affairs 1995, 44) that the Government wished to reiterate that this arrangement is practised in agreement with the authorities in the programme countries. Moreover, supporting local organisations is often a way of promoting democratisation and diversity in the countries in question. The arrangement is based on openness as regards which measures are supported. The Government wished to continue this arrangement, but would place greater emphasis on an active, open dialogue with the authorities in the countries concerned. Thus, more stringent conditions with regard to routines for the planning, implementation and follow-up of projects would also, as far as feasible, be applied to local organisations.

In 1994, a total of NOK 120.7 million was disbursed to local NGOs in developing countries. NOK 91.5 million of this amount came from the ordinary allocation to NGOs,

while NOK 24.6 million was covered by the various special allocations. (NORAD 1995, 16)

### Co-operation with international NGOs

NORAD's co-operation with international NGOs has evolved further during the past year, i.e. after a clarification of roles with the Ministry of Foreign Affairs within the framework of the global allocation to the environment and women respectively. NORAD acknowledges that their experience shows that international NGOs can make important contributions, particularly in connection with the transfer of skills and the creation of networks.

In 1994, a total of NOK 53.2 million was disbursed in support of international NGOs. Of this amount, NOK 17.2 million came from the ordinary allocation to NGOs, and NOK 3.8 million from special allocations. (NORAD 1995, 16)

### Information support for NGOs

In addition to the above-mentioned development objectives, NORAD aims at stimulating and strengthening NGO endeavours in mediating information on, and encouraging Norwegian public involvement in, North-South issues, conditions in developing countries, and Norwegian development co-operation. NORAD negotiates and co-operates with Norwegian NGOs in their information activities.

In 1994 NOK 11.1 million was allocated to co-operation on information-related activities carried out in conjunction with NGOs. Of this amount, NOK 10.1 million was divided among 24 NGOs with framework agreements with NORAD, while NOK 1.0 million was shared by 45 organisations in support of separate information activities. In addition, the Inter Press Service received NOK 0.9 million, financed under a separate central government budget allocation. (NORAD 1995, 16)

## **NORAD's NGO support to Bangladesh and Nepal**

### **To Bangladesh**

NORAD's NGO support to Bangladesh can be classified into two categories:

The *first category* is the NORAD-supported Norwegian NGOs working in Bangladesh. Support to this category of Norwegian NGOs usually is being decided and carried out from NORAD's head office in Oslo. These organisations are involved in their activities

with health care, disability services and co-operation, orphanage, education, women empowerment, building up economic structure, self-help activities etc. The Norwegian NGOs belonging to this category are (Rosenhilde 1994):

- CARE Norge
- Dev Norske Santalmisjon
- Kirkens Nodhjelp
- Norges Blindeforbund
- Norsk Bangladesh-forening
- Norsk Forbund for Psykisk Utviklingshemmede (NFPU)
- Pastor Strommes Minnestiftelse

In the *second category* belongs the Bangladeshi NGOs partially or totally supported by the local NORAD office, affiliated to the Royal Norwegian Embassy in Dhaka, Bangladesh. Support to these categories of Bangladeshi NGOs usually is being decided or administered in the embassy in Dhaka. Around 27 Bangladeshi NGOs or NGO projects have recently been supported by the Royal Norwegian Embassy/NORAD in Dhaka in the sectors of NGO co-ordination/NGO issues; women in development/gender issues; rural development, health, research, democracy and human rights; and education related projects. The major recipients are/were (Toreng & Kvam 1995):

- Association of Development Agencies in Bangladesh (ADAB)
- Amar Desh
- Bangladesh Northern Evangelical Lutheran Church Development Program (BNELC)
- Bangladesh Rural Advancement Committee (BRAC)
- Banchte Shekha
- Bichitra Unnayan Sangstha
- Care International, Bangladesh
- Bangladesh Country Boat Owners' Association
- Community Health Care Project (CHCP)
- Centre for the Rehabilitation of the Paralysed
- Development Research Centre
- Gono Gobeshona O Unnayan Foundation (GOUF)
- Gonoshahajjo Sangstha (GSS)
- International Centre for Diarrhoeal Disease Research, Bangladesh (ICDDR,B)
- IDEAS International
- Joutha Udyog
- Malerhat Jubo Shangha (MJS)
- Madaripur Legal Aid Association (MLAA)
- Palli Unnayan Shangha (PUS)



- Saptagram Nari Swanirvar Parishad
- Sabalamby Unnayan Samity (SUS)
- Underprivileged Children's Education Programs (UCEP)
- Unity of Social and Human Action (USHA)
- Voluntary Health Services Society (VHSS)
- Zopp Coordination Unit (ZCU)

## **To Nepal**

NORAD's NGO support to Nepal can also be classified into *two categories*:

*The First category* is NORAD's NGO support to Nepal, administered through the Norwegian NGOs working in Nepal. Support to this category of Norwegian NGOs usually is being decided and done from NORAD's head office in Oslo. These NGOs are involved in Nepal with their activities in integrated rural development, agriculture, health-care, technology and self-help development, forestry and wildlife preservation, formal primary education etc. The Norwegian NGOs working in Nepal are (Rosenhilde 1994):

- CARE Norge
- Den norske advokatforening
- Den norske Tibetmisjon
- Framtiden i vare Hender, Kr.sand
- Kirkens Nodhjelp
- Landsforeningen for hjerte- og lungesyke
- Lions International Secretary
- Norges Blindforbund
- Norges Rode Kors
- Norsk Forbund for Psykisk Utviklingshemmede (NFPU)
- Norsk Laererlag
- Pastor Strommes Minnestiftelse
- Redd Barna

In the *second category* belong the NGOs in Nepal partially or totally supported directly by the local NORAD office, affiliated to the Royal Norwegian Embassy Kathmandu p.t. New Delhi. Support to these categories of Nepali NGOs, usually is being decided or administered in the embassy in New Delhi, India. Five Nepali NGOs have recently been supported by NORAD/Royal Norwegian Embassy Kathmandu p.t. New Delhi, in the sectors of democracy, development and human rights and in the sectors of hydropower,

environment and management of natural resources. The direct support to local NGOs in Nepal is as follows (Hefre 1997):

- INSEC
- SUSS (Service for Unprivileged Section of Society)
- King Mahendra Trust for Nature Conservation
- INHURED International (Institute for Human Rights Environment and Development)
- ICIMOD

### **3.4: SWEDEN: SIDA'S NGO ASSISTANCE**

Sweden has traditionally been among the front-runners in the DAC both with regard to volume performance and various qualitative aspects of the ODA programme. Sweden was one of the first DAC members to reach the internationally accepted 0.7 per cent ODA disbursement/GNP target and took the leadership with other donors regarding issues such as country programming, project and programme evaluation, and the promotion of gender equality. (OECD 1997, 162) As in other Western countries, the idea of development assistance was brought to life in Sweden in the aftermath of World War II and continued to gain ground during the 1950s. It built, above all, on the commitment to the Third World already existing within churches, popular movements and non-governmental organisations and enjoying wide support beyond the core of these groups. It was natural, then, that the humanitarian motive - solidarity with the poor of the world - became the cornerstone of Swedish development co-operation. In general, 'raising the living standard of the poor people' is the major aim of Swedish foreign aid. (SIDA 1990, 9) Development assistance is an integral part of Swedish foreign policy. The Minister for International Development Co-operation is responsible for development assistance. The minister is assisted by the Department for International Development Co-operation in the Ministry for Foreign Affairs. The department prepares the data on which the Government bases its decisions and its proposals to Parliament both where direct assistance to recipient countries (bilateral assistance) and assistance channelled through various international organisations (multilateral assistance) are concerned. (SIDA 1989, 4)

As stated earlier, the overall aim of Swedish development assistance is to raise the standard of living of poor people. Five specific goals toward this end have been formulated, the first four in 1978 and the fifth in 1988. These goals are (SIDA 1990, 18; SIDA 1993/94; SIDA 2000, 10): economic growth; economic and social equality;

democratic development; sustainable use of natural resources and the protection of the environment; and equality between women and men.

Among other agencies within the field of development assistance, the Swedish International Development Authority (SIDA) denotes the activities relating to Sweden's co-operation with developing countries. SIDA was established in 1965 and at present it administers the greater part of Swedish development co-operation. It is a central state agency under the Ministry for Foreign Affairs. Its main task is to plan, implement and evaluate programmes of development co-operation with developing countries and to report on its work to the state and the general public in Sweden. (SIDA 1989, 12; SIDA 1993/94)

### **SIDA's co-operation with NGOs**

NGOs play a key role in Swedish development co-operation, representing more than a fifth of total Swedish development funding in 1999, or SEK 2.5 billion. This is slightly more than a third of the volume of development co-operation undertaken by SIDA. (Ministry for Foreign Affairs 2000, 196) For many years Swedish popular movements and NGOs have been involved with development co-operation. SIDA's view of NGOs is that they can often work more informally than a state agency and are not hampered by slow administration or power groups in recipient countries. In recipient countries they comprise an important complement to direct bilateral assistance and can often carry out valuable, innovative projects. In addition, SIDA also believes that NGOs often have greater opportunities to reach the really poor groups - peasants, women and the handicapped - in poor countries. Through their support to trade unions, co-operative movements and other popular movements, they contribute to the democratic development of society in the countries in which they work. (SIDA 1989, 20)

Swedish development assistance has been built on the work done by NGOs many decades before state aid came into being. In 1952 the larger NGOs formed the Central Committee for Swedish Technical Assistance to Less Developed Areas. Half of the budget of the Committee consisted of funds raised in collections and the other half of a state grant. Another source (OECD 1981, 59) argued that official Swedish support for NGOs' development projects goes back to 1952. The source states that in Sweden aid through NGOs is considered a valuable supplement to official aid. The NGOs are in a special position to promote the general goals of development co-operation by contributing to the growth of NGOs in developing countries, by supporting neglected groups and by testing innovations and initiating experiments. Furthermore, the development work of the NGOs contributes to an increased interest, knowledge and involvement in regard to the poorer countries within Swedish society. Although

devaluation and budget cuts have had a serious impact on Swedish ODA in 1992-93, funding for Swedish NGOs has continued to grow, from less than 9 per cent of ODA in 1990-91 to 12.4 per cent in 1992-93. This represents an overall increase of 65 per cent, although much of the growth is contained in a new fund for democracy and human rights. (OECD 1993, 247)

Supportive government regulations for NGOs in Sweden, supportive fiscal policies in support of NGOs, the preference for NGOs in Swedish development assistance has made for a large and strong NGO community in Sweden. At present, through frame agreements with 13-14 major Swedish NGOs, SIDA supports projects in some 100 countries, through approximately 600 NGOs, ranging from small study groups to a few large professional development organisations. (OECD 1993, 247; SIDA 2000, 56) During 1999, SIDA supported NGO-led development initiatives with a sum of SEK 830 441 000. (SIDA 2000, 59)

## **Support through Swedish NGOs**

SIDA has several windows through which Swedish NGOs receive official aid funds. These windows are as follows: NGO Support, Eastern and Central Europe, Disaster Relief, Democracy and Human Rights, etc. as described below (Riddel, Bebbington & Peck 1995, 11-19; SIDA 1993).

### NGO Support

The NGO window has been established to support organisations' own development initiatives. Planning and implementation of development projects depends totally on the Swedish NGOs under the consideration of guidelines related to the NGO window category. SIDA provides a maximum of 80 per cent of the project cost and the remaining 20 per cent is the share of the NGO by itself if nothing else has been agreed. The fundamental goals in providing funds for development programmes of Swedish NGOs are the same as those applied to all Swedish development assistance. In 1994, NGO support reached SEK 830 million and was channelled through different Swedish NGOs. Among them SIDA entered into framework agreements with 14 NGOs. Through the NGO window SIDA provides project support, funds for volunteers, information activities in Sweden and administration costs to Swedish NGOs. Projects are considered as a single intervention and approximately 2,000 projects are being supported by SIDA. Within the NGO-window, SIDA also provide funds to Swedish volunteers. Usually the volunteers are performing their responsibilities related to development work and take part in information activities about developing countries in Sweden. In the year 1993/94

there were 700 volunteers supported by SIDA. In 1993/94, SIDA provided SEK 60 million to 16 organisations, involved in information activities in Sweden. These organisations were engaged in creating understanding of and interest in the situation of developing countries and worked against racism in Sweden. SIDA provides funds to cover costs related to administration of these organisations in Sweden as well.

### Eastern and Central Europe

Since 1989, the NGO Division has been funding NGO projects in the countries of Eastern and Central Europe. This fund comes from a special government fund, not from the development aid budget. The objectives of this support differ from the development aid budget as well. The support to NGOs is meant for the restoration and consolidation of the institutions of democracy and the rule of law; the reintroduction of a functioning market economy; and measures designed to improve the environment in the Baltic Sea region. During the fiscal year 1993/94 SIDA provided SEK 45 million for 70 projects.

### Disaster Relief

SIDA provides funds to NGOs for disaster relief initiatives. This support is provided for people affected by natural and human-made disasters, as well as rehabilitation and disaster preparedness programmes. In recent years these funds came to approximately half of total disbursements. In 1993/94, SEK 687 million out of a total of nearly SEK 1,600 million were channelled through 55 Swedish NGOs. In this category the Swedish NGOs do not need their own share of 20 per cent of the total project costs and, thus, the total project costs is borne by SIDA, as these organisations are promoting SIDA's initiatives.

### Democracy and Human Rights

In 1991/92, SIDA established a special Democracy and Human Rights window, incorporating the former Humanitarian Support to Latin America and Southern Africa funds into this new facility, which has become an increasingly important form of support for Swedish NGOs. Total funds for the year 1993/94 amounted to SEK 676 million. Of this SEK 256 million was channelled through 40 Swedish NGOs. In this category of funding the NGOs do not need to have their own share as they are promoting the initiatives of SIDA.

Apart from these windows mentioned above, there exist other windows open to Swedish NGOs. These include SIDA's different country frame programmes, special programmes,

such as programmes related to environmental and gender issues. Thus, based on their nature and types of work, Swedish NGOs receive funds from a variety of Swedish sources for their co-operation work in developing countries.

## **Direct support to local NGOs**

Local NGOs in particular countries receive funds from Sweden. The bulk of funds from Sweden that reach Southern NGOs from the NGO Division comes to them indirectly, via Swedish NGOs. In addition, the NGO window does have a facility that allows the NGO Division to fund Southern NGOs directly, as understood, only in three countries. These countries are Bangladesh, India and Sri Lanka. By the year 1994 there was no plan to expand this support to other countries. Funds provided through this channel are administered by SIDA's Development Co-operation Offices (DCOs) in these three countries. However, for amounts higher than SEK 200,000 DCO requires approval from SIDA's head office in Stockholm. (Riddel, Bebbington & Peck 1995, 20)

## **SIDA's NGO support to Bangladesh and Nepal**

### **To Bangladesh**

In Bangladesh NGOs have been supported by SIDA through different routes. The most important of these are funding through Swedish NGOs, co-ordinated from Stockholm and direct funding to Bangladeshi NGOs, which is co-ordinated from SIDA's Development Co-operation Office (DCO) in Dhaka. (Lewis, Sobhan & Jonsson 1994, 23)

According to a SIDA evaluation report (Lewis, Sobhan & Jonsson 1994, 23) support to Swedish NGOs is potentially valuable for the NGO Division because it leads to the transfer of knowledge about these organisations, and their local NGO partners, back to Sweden. This support is intended to contribute to a wider understanding of the roles of Swedish NGOs in development assistance. However the report mentioned that in the case of Bangladesh, there was less activity of this kind than expected. The following Swedish NGOs have recently been working in Bangladesh (BIFO & SVS 1993, 118; Lewis, Sobhan & Jonsson 1994, 54; SIDA 1994; Svensson 1995):

- Church of Sweden Aid
- Diakonia
- The Hunger Project
- LO/TCO (Centre for International Trade Union Cooperation)

- MAF, Mission Aviation Fellowship-Sweden
- PMU-InterLife
- Rädda Barnen
- Röda Korset
- The Seventh Day Adventist Church
- The Swallows in Sweden
- Swedish YMCA/YWCA
- Vänortsföreningen Eksjö-Bangladesh
- Vänortsföreningen Jönköping-Bangladesh
- The Örebro Mission

The above-mentioned SIDA evaluation report (Lewis, Sobhan & Jonsson 1994, 23-24) considers that direct support to Bangladeshi NGOs is an innovative form of assistance to NGOs for SIDA, and has been adopted as a form of support only in three countries in South Asia: Bangladesh (which uses the majority of the funds), Sri Lanka and India. Many directly supported Bangladeshi NGOs were once supported by Swedish NGOs in earlier phases of their development and SIDA took over funding as their needs increased. There is not therefore necessarily a conflict between these two modes of support, which as the report mentioned may be complementary to each other at different times. The NGOs in Bangladesh receiving Swedish direct assistance are supported by SIDA's General support (country frame related) programme, women-oriented support, democracy and human rights, and support from the relief and rehabilitation programme (Lewis, Sobhan & Jonsson 1994, 54-55). The following NGOs in Bangladesh have recently been receiving direct support from SIDA (Embassy of Sweden, Dhaka 1995; Svensson 1995; Cookson 1995):

- Campaign for Popular Education (CAMPE)
- Worldview International Foundation (WIF)
- Bangladesh Rural Advancement Committee (BRAC)
- Bangladesh Unemployed Rehabilitation Organisation (BURO- Tangail)
- Menstrual Regulation Training and Services Programme (MRTSP)
- Bangladesh Association for Prevention of Septic Abortion (BAPSA)
- Proshika Manobik Unnayan Kendra (PROSHIKA)
- Gono Shahajjo Sangstha (GSS)
- Steps Towards Development (STD)
- Saptagram Nari Swanirvar Parishad (SNSP)
- Unity for Social and Human Action (USHA)
- Bangladesh Women's Health Coalition (BWHC)
- Concerned Women for Family Planning (CWFP)
- Social Progress Services (SPS)

- Association for Community Development (ACD)
- SHAKTI Foundation
- Swedish Agency for Research Cooperation with Developing Countries (SAREC) co-operation to the International Centre for Diarrhoeal Disease Research, Bangladesh (ICDDR, B)

## **To Nepal**

The following Swedish NGOs have recently been working in Nepal (BIFO & SVS 1993, 121; SIDA 1994; Svensson 1995):

- PMU InterLife
- The Swedish Organization for Individual Relief
- Swedish Organization of Handicapped International Aid foundation (SHIA)
- Swedish Red Cross
- The Swedish-Tibetan Society for school and Culture
- SweMSIC
- The Örebro Mission

Inquiry about SIDA's direct support to NGOs in Nepal was directed to SIDA/Embassy of Sweden in New Delhi, India by the Consulate General of Sweden in Kathmandu (Shrestha 1997). According to the reply received from SIDA in Sweden, SIDA does not have any direct support to local NGOs in Nepal. SIDA used to support INSEC, a human rights organisation from 1994 to 1996 with a sum of SEK 500 000. The programmes now being supported in Nepal are thus all through Swedish NGOs. In Nepal SIDA also supports ISIMOD through the special environmental funds, but that project is decided by the headquarters (natural resource management division) in Sweden. (Narrowe 1997)



### **3.5: BRIEF SUMMARY OF DANIDA, FINNIDA, NORAD, AND SIDA ASSISTANCE TO NGOs**

**Table 3:** Comparative view of the official development assistance (ODA) by Denmark, Finland, Norway and Sweden.

Country	ODA% of GNP	Year	UN recommended ODA% of GNP	Nordic standard ODA% of GNP
Denmark	1.01	1999	0.7%	1.0%
Finland	0.34	1999	0.7%	1.0%
Norway	1.05	1994	0.7%	1.0%
Sweden	0.705	1999	0.7%	1.0%

There are more similarities than dissimilarities in NGO support of the four Nordic official donors studied. There are differences in the percentage of official development aid (ODA) and aid channelled through NGOs from Nordic countries. There are also national differences in the history of development and NGO aid among these countries and agencies.

Among the four agencies studied, NORAD's aid share for NGOs is much higher than the other three agencies in Denmark, Finland and Sweden. However, the percentage of NGO aid has also recently been increasing in the other three Nordic countries. The basic principles of Nordic NGO support are based on similar grounds; i.e., combating global poverty. The prior areas of NGO support are also similar, e.g., poverty orientation, environmental consideration, involvement of women in the development process, democratisation and human rights. Most of the aid money was spent in Africa and then Asia and Latin America. Governments of the four Nordic countries studied are in favour of increasing the aid share for NGOs and thus the aid policies encourage NGOs as their development partners at home and in developing countries.

By early 2000, despite dissimilarities in the aid percentage, all four countries supported NGOs in their home countries, directly supported grassroots NGOs in developing countries, and also supported international NGOs, predominantly based in the OECD countries. Support also went to numerous NGOs through their aid via the United Nations and multilateral aid agencies. However, despite these common features in NGO support, surprisingly there has not been any joint effort or co-ordination in aid

management among these four major official Nordic aid agencies. Rather their NGO support was independent, implemented nationally done and isolated at the central level.

DANIDA, NORAD and SIDA are the bilateral donor to the governments in Bangladesh and Nepal. While FINNIDA is bilateral donor to Nepal, it is not to Bangladesh. However, all these four official aid agencies are providing support to many NGOs involved in development initiatives in Bangladesh and Nepal.

### **3.6: SUSTAINABILITY: THE OFFICIAL DONORS AND THE DONOR NGOS**

All the four official donors, i.e., DANIDA, FINNIDA, NORAD, and SIDA consider sustainability as an important issue in their co-operation with NGOs. However, during the study period, none of them had any exact strategy to ensure the sustainability of NGO-led development projects sponsored by them. All of them shared the view that managerial skills of managing development projects by the operating NGOs would be an important consideration.

DANIDA's co-operation with NGOs has been discussed earlier in detail. According to the DANIDA NGO Section (Vinding 1995), during the mid 1990s, 17 per cent of its bilateral allocation involved NGOs and more than 12 per cent of its ODA budget was allocated to NGOs. With a decentralised arrangement in direct funding to local NGOs, Royal Danish Embassies can allocate up to 3 million DKK without the prior approval of the DANIDA head office in Copenhagen. Usually with big Danish NGOs, DANIDA has a framework agreement. During the 1970s DANIDA started to allocate funds to NGOs in operating development projects in Bangladesh and Nepal. DANIDA considers that developing managerial capacity and ensuring project sustainability of its recipient NGOs should be a matter of individual Danish NGOs and the NGOs in the South operating development projects. DANIDA would have liked management capacity development to have been an aspect of project proposals by NGOs. The Danish NGOs were also found largely dependent on DANIDA's financial support to carry out their development activities. The studied Danish NGOs, e.g., Mellempfolkeligt Samvirke-MS (Danish Association for International Cooperation), DanChurchAid, Danish Guide and Scout Association, etc. were found dependent on the financial support they receive from DANIDA in continuing their project activities. (Egekvist 1995, Gravgard 1995, Thomson 1995) If DANIDA stops funding – a sharp cut in their present and future activities is obvious.

Finnish aid to NGOs has recently been increased. In 1999 some FIM 131 million was channelled into project support for Finnish NGOs. (Ministry for Foreign Affairs 2000,

170) FINNIDA, for example, expects that the local NGOs should be self-supporting because it is difficult to provide the 80 per cent of the project costs each year. A certain amount of money in a limited time frame of the project is the determinant factor for FINNIDA in judging the sustainability of the development projects. Often this time frame is a maximum of 5 years. (Eräpohja 1995) The Finnish NGOs are also very much dependent on the financial support they receive from FINNIDA – for example, 50% of the above amount is channelled through the six largest Finnish NGOs with frame agreements. The present official aid share of the Ministry has been extended up to 80% maximum and for disabled peoples’ organisations it is up to 90% maximum. The small- and medium-size organisations were also found dependent on Finnish aid system. The following table gives a general overview:

**Table 4:** Aid share between Finnish NGOs and the Department of International Development Cooperation of the Ministry for Foreign Affairs

<b>The Finnish NGOs</b>	<b>Own share</b>	<b>FINNIDA’s support</b>
Suomen World Vision ry	25%	75%
Suomen Lepralähetys ry	25%	75%
SUS Tuki / Uusi Tuuli	25%	75%

Source: Tervo 1995, Moilanen 1995, Peltola 1995

Sustainability and building administrative capacity of the NGOs are important issues in NORAD’s consideration. NORAD (Bredde 1995) encourages the Norwegian NGOs to build the managerial capacity of their potential partner NGOs. NORAD’s usual experience is that many of the partner NGOs of NORAD-supported NGOs are very weak in administering the budget, accounting, reporting, etc. Some Norwegian NGOs are playing a very good role in development with their partner NGOs in developing countries and some of them are not doing well. Equality in partnership between NGOs from Norway and from developing countries is highly valued by NORAD – thus naturally NORAD also expects that the partners will also be equal in their capacity for managing development projects. Among others, as a partner in development, NORAD has been playing a big role in developing the NGO sector in Norway. Thus NORAD also thinks that the Governments in different developing countries, in this case in Bangladesh and Nepal, have an important role to play in developing their NGO sector.

State co-operation is essential in order to develop the NGO sector as an effective and efficient channel for development. Compared to many other OECD countries, the Norwegian contribution to NGO-led development projects is high. As a usual practice, NORAD-supported NGOs get 80 per cent of their project budget from NORAD and the rest is expected to be paid by the individual NGOs. In addition, NORAD gives a 6 per cent extra grant for project costs. Thus, Norwegian NGOs could also employ interested people in Norway for their project operation activities in developing countries. The economic situation of Norway is quite stable. The country has a huge oil reserve. In the near future NORAD does not have any plan to stop or decrease its support for NGOs, rather the aid share in the NORAD system may increase for NGOs in coming years. The NORAD-supported NGOs are also found to be very dependent on the NORAD support and a cut in NORAD's budget would have a negative effect on the NGOs and their projects. The following is the aid share of some selected NORAD-supported NGOs:

**Table 5:** Aid share between Norwegian NGOs and NORAD

<b>The Norwegian NGOs</b>	<b>Own share</b>	<b>NORAD's support</b>
Norwegian Bar Association	20%	80% + 5% extra
Redd Barna	52%	48%
CARE Norge	20%	80% + 5% extra
NFU	20%	80%

Source: NBA 1995, Knudsen 1995, Angstreich and Reiersen 1995, Lindland 1995

In the mid-1990, 15 to 20 per cent of SIDA's budget was allocated for Swedish NGOs to operate development projects in developing countries. In addition to that, about 1 billion SEK was also allocated to NGOs in their project support in human rights and health-care. SIDA's (Svensson 1995) NGO support to Bangladesh and Nepal is administered through Swedish and local NGOs. SIDA's total volume of NGO assistance in the mid-nineties to Bangladesh was SEK 48 million and to Nepal SEK 7 million. In Bangladesh 7 and in Nepal 5 Swedish NGOs have been working in the field of development co-operation. Local NGOs are supported by the SIDA office in Dhaka, Bangladesh. Usually the recipients are the biggest NGOs in Bangladesh, e.g., BRAC, Proshika, Saptagram, GSS, etc. In the case of supporting Swedish NGOs, SIDA does not decide the sector of their work, Swedish NGOs decide their sector of work by themselves. As an established practice, SIDA provides 80 per cent of the project costs

and the remaining 20 per cent is paid by the concerned NGOs. SIDA's aid ratio can even be up to 100 per cent, depending on the nature of the project. In Bangladesh, India and Sri Lanka SIDA provides direct funding to local NGOs through Swedish embassies in their work in the sectors of education, health and rural development. Local NGO assistance is considered as part of the bilateral agreement with these countries. According to SIDA, the overall economic situation of Bangladesh has been moving in a better direction since 1994-95. SIDA does not have any co-operation with other Nordic countries in their NGO assistance to Bangladesh and Nepal. SIDA likes to support small NGOs in Bangladesh, but small NGOs very often are lacking the capacity for managing development projects. Therefore, so far SIDA has been involved with the biggest NGOs in the country and thinks that in the case of NGO assistance 'small might be beautiful but big is needed'. Securing sustainability and management capacity building should be the task of the NGOs and the governments in the target countries – thus SIDA does not directly put pressure on these issues. SIDA seems satisfied with the managerial capacity of the biggest NGOs in Bangladesh and at the same time aware of the differences in capacities among the biggest NGOs as well. SIDA continues a constant discussion about the sustainability and managerial aspects of the SIDA-funded projects but does not prefer to put direct pressure on the organisations; rather, they hire consultants to find the limitations in managerial skills. As concerns funding development activities, SIDA prefers a pluralistic approach of funding all actors involved in development, i.e., governments, NGOs, multilateral agencies, etc. SIDA and Swedish NGOs are more or less controlled by the government in Sweden, thus SIDA is not against government control but rather appreciates meaningful co-operation between government and NGOs in developing countries in order to foster the process of development. The studied Swedish NGOs were also found dependent on SIDA to a great extent. The following table provides some insight in this regard:

**Table 6:** Aid share between Swedish NGOs and SIDA

<b>The Swedish NGOs</b>	<b>Own share</b>	<b>SIDA's support</b>
PMU Interlife	27%	73%
Diakonia	20%	80%
Rädda Barnen	20%	80%

Source: Johansson 1995, Nilsson 1995, Geidenmark 1995

From the above discussion, facts and figures, it is obvious that despite the growing concern for NGO support by the studied Nordic donors, the NGO-led development projects remain highly dependent on them. Not only in developing countries, the Nordic donor NGOs (or the partner NGOs of the NGOs in developing countries) are also highly dependent on aid from the official aid agencies, which they channel to developing countries. Any changes to the policies of these countries and official donor agencies would have an immediate effect on the sustainability of the NGO-led development initiatives in the target countries.

## **4.0: DEVELOPMENT NGOs IN BANGLADESH AND NEPAL: PERSPECTIVES FROM RECIPIENT COUNTRIES**

### **4.1: NGOs IN BANGLADESH: A GENERAL OVERVIEW**

#### **Facts about Bangladesh**

The Peoples' Republic of Bangladesh is geographically a small, mostly flat alluvial plain country south of the Himalayan mountain range and north of the Bay of Bengal. The total land area of the country is only 144 526 sq. km, and it is the home of a huge population of 130 million. The country came into existence as an independent republic after a period of more than 200 years of colonial rule by Britain (1757-1947) and Pakistan (1947-1971). It now shares its land borders with India and Myanmar (formerly known as Burma). The soil is mainly deltaic sediment and is 73 per cent arable, with a hilly topography in the southeast. Much of the country is often flooded during the monsoon season and is also affected by cyclones due to its vulnerable and close location to the sea. The birth rate is 25 and death rate is 9 per 1000 population. The population growth rate is 1.59 percent and life expectancy is about 56 years. The literacy rate is 38 per cent. (Haq 1998, 177) Around 88 per cent of the total population is Muslim, 10 per cent practise Hinduism and the rest are Buddhists, Christians and other minority groups. The majority of the Bangladeshis is living in rural areas. Agriculture employs about 63 per cent of the country's 56 million labour force and the rest are employed in the service and industry sectors. The unemployment rate is believed to be 35 per cent. The per capita income is low compared to the rich and middle income countries. The national per capita income is US\$ 360. (UNDP 1999, 182) The geographical situation, environmental vulnerability, e.g., sea level rise, the rate of ground water contamination and various external and also internal political components continue to be the determining factors in the present and future development process in the country.

#### **Former development initiatives in Bangladesh**

The problems of landlessness and increasing rural poverty took on fresh urgency with the creation of the state of Bangladesh during the early 1970s. Since its inception in 1971, the state has had to find ways of making rural development institutions more effective in increasing agricultural production activities, especially achieving food self-sufficiency, and in ensuring an equitable distribution of the gains from higher productivity. The main vehicle for achieving this goal has historically been the development of a co-operative system and the process was started in 1969 by establishing the Comilla Academy for Rural Development, which started its operation

in the central Thana (sub-district) of the Comilla district. Academically the concept of 'Development Administration' in Public Administration also advanced globally from the research and training programme practised in this development model. (Gant 1979, cited in Siffin 1991, 7) In 1970 it was officially adopted as a national programme in East Pakistan and after liberation (1971) Bangladesh began to implement the Integrated Rural Development Programme (IRDP), as it became known, all over the country. The organisational structure of IRDP was further renamed the Bangladesh Rural Development Board (BRDB) in the early eighties. (Khan 1990, 45)

The main components of the Comilla programme were (Khan 1990, 46): *a.* A two-tier co-operative system of farmers' co-operatives (KSSs) federated in Thana-level central co-operative associations (TCCAs). *b.* Each Thana had a Training and Development Centre (TTDCs) for the farmers. *c.* A Rural Works Programme (RWP) designed to build rural infrastructure. *d.* A Thana Irrigation Programme (TIP) and *e.* Special Co-operative Societies Federation (SCSF) for landless co-operatives to undertake non-agricultural activities.

This approach was successful in the Comilla district but ultimately the co-operatives began to be infiltrated and dominated by the rural rich. The benefits were largely concentrated in the hands of the rich and the powerful. Relatively little gain went to the small peasants and more directly to the landless. As a result, landlessness and land-concentration increased. Nor is the story of IRDP any different. IRDP is essentially a credit programme run by village co-operatives, but heavily patronised by the bureaucracy. Since 1974, IRDP co-operatives were also directed to include landless members. By 1980, the percentage of landless members still remained very low. An assessment study by the Bangladesh Planning Commission in the mid-1980s found that the entire structure of the said co-operatives was dominated by the rural elite in conspiracy with the urban rich. Many evaluations of this programme have reached the conclusion that large farmers have taken over IRDP as well. BRDB, the new version of IRDP, is not institutionally any different. It has added a few more co-operatives for landless and unpropertied men and women, but remains heavily bureaucratised. However, all these rural development initiatives had considerable impact on agricultural productivity and prepared the way for a modest green revolution. The Rural Works Programme, and more recently, Food for Works, have been major instruments for generating employment for the poor. (Khan 1990, 46-50) The Government is still continuing the BRDB programmes with assistance from foreign donors.

### **The emergence of NGOs**

The history of NGOs in Bangladesh dates back to the colonial past. Traditionally, philanthropic social institutions, e.g., hospitals, schools, etc. were run mostly by various wealthy persons, local political leaders and religious agencies. However, these



philanthropic institutions were not known as NGOs. The modern concept of development NGOs and their involvement in development or foreign aid began to be significant only in the early 1970s, when the country got independence, and globally the involvement of NGOs in development aid achieved popularity among aid donors. Therefore, the NGO initiative to reconstruct the war-affected country had vital relevance. However, due to poverty and natural calamities in Bangladesh and due to the increase in support for NGOs in donor policy in the international development arena, the NGO effort went forward, although the liberation war ended in 1971 and the reconstruction work ended shortly after that.

Since independence in 1971, due to the weak status of different governments, it has also been possible for the international donors to present a comparative advantage of NGOs in development management compared to the government-led development management. The newly liberated country had a fragile democracy, weak local governance, poor service delivery system, and a poorly developed private sector. During the early 1970s the country was, and to a great extent still is, poverty-stricken, having a low literacy rate, being vulnerable to regular environmental hazards and having oppression against poor women. All these negative institutional and socio-economic elements resulted in a strong donor presence in the socio-economic development of the country. Theoretically, the donors also could blame the failure of the state and market in order to justify their NGO operations in the country. The Bangladesh case is often cited by scholars and has also been generalised in aid literature in justifying the relevance of NGOs in other developing countries. Also the rapid growth of NGOs in Bangladesh during the 1980s was named the 'NGO decade' in recent development aid literature. However, NGO relevance for development management in Bangladesh is significantly different from that in many other developing countries. Since its inception, the NGO sector has been heavily patronised by international donors and has enjoyed an advantageous status in the donors' aid policy. Therefore the NGO-government relation has always fluctuated and could not take systematic shape in the country.

### **The development of NGOs in recent years**

Before the War of Independence (1971), there were very few international voluntary organisations working in the then East Pakistan. The activities of NGOs began in 1970 after a flood and gained strength in 1971 just after the Liberation War. Therefore, NGOs have a tradition of working for the welfare of Bangladesh since the country's inception. Since the 1970s, the number of NGOs and the nature of their work has changed and increased significantly. In the beginning of the 1970s, most of the NGOs working in the newly born Bangladesh were international in character. The number of local or national NGOs was very few. In the late 1970s, the local and national NGOs started their work, although their number was not high compared to the international NGOs. The decade of the 1980s could be considered as the golden

era of growth and expansion among national NGOs in Bangladesh. The following table shows the time series growth of the 66 (consisting of 32 international and 34 national) sampled NGOs:

**Table 7:** Time Series Growth of the Sampled NGOs in Bangladesh

Date of Establishment	Types of NGOs				Total		Cumul. (%)
	National		International		(%)	(n)	
	(%)	(n)	(%)	(n)	(%)	(n)	
1970-1975	1,61	1	25,81	17	27,42	18	27,42
1976-1980	8,06	5	9,68	6	17,74	12	45,16
1981-1985	25,81	17	8,06	5	33,87	22	79,03
1986-1990	16,12	11	4,85	3	20,97	14	100
					100	66	

Source: Survey data, Aminuzzaman : 1993

The table shows that 36 NGOs out of the sampled 66 launched their operations during the period 1980-1990. The fast growth of the NGOs has been the result of numerous institutional and policy reform packages undertaken during the early 1980s. Various reform packages, especially the IMF-World Bank-sponsored Structural Adjustment Programme, strongly advocated for deregulation and the active participation of the private sector as well as the NGOs in development activities (Aminuzzaman 1994, 2). The number of international NGOs, however, did not increase as compared to the national NGOs during that period. Of the NGOs which came into operation in the early 1970s (1970-75), 17 of the sampled NGOs were international in origin. While the international NGOs which came into operation during the 1980s (1980-90) is as low as only 8 in number. International NGOs were mostly established in the early part of the 1970s.

A gradual change in the strategies of NGOs in Bangladesh occurred from the 1970s to the 1990s, which has relevance for the four generations of NGO development program strategies outlined by David Korten (1990). At the beginning, NGOs in Bangladesh were exclusively involved in relief and welfare assistance programmes. Somewhere in the process they made a transition from relief and welfare-related activities to developing self-reliant organisations of the poor. However, apart from some big NGOs, most of them are far from being able to be called skilled and strategically managed and building up their capacity in project management – this is the present challenge for the development NGOs in Bangladesh. However, the question of people’s movements working through NGOs (Korten 1990) still remains a debatable issue in Bangladesh as long as the sector is completely tied to the aid flow to the country – and tied to external interests as well.

The exact number of NGOs in Bangladesh is not known, due to the registration systems practised in the country. Also systematic documentation of NGO work is weak in the country. There are about 8 agencies where NGOs can be registered, e.g.,

with the NGO Affairs Bureau, Ministry of Social Affairs, Directorate of Women Affairs, Directorate of Youth, Directorate of Family Planning, Trusts registered in courts, etc. According to Asian Development Bank statistics, the number of all registered NGOs in 1992 was 13 000. (Begum 2000, 65) However, not all these NGOs are necessarily development-oriented and linked to the aid system. According to a recent study (Begum 2000, 66) there were 382 NGOs receiving foreign funds during 1990-91. Among them, 293 were local NGOs and the remaining 89 were foreign NGOs. Gradually the number has multiplied over the years. During 1999, 1245 NGOs were receiving foreign funds in the country. Among them 1101 were Bangladeshi NGOs and 144 were foreign.

### **NGO-Government relations in Bangladesh**

The government of Bangladesh (GOB) has a long tradition of controlling public activities through its administrative system inherited from Britain and Pakistan. At present, the GOB has the following rules and regulations intended to control and regulate NGO activities:

- a. The 1860 Societies Registration Act;
- b. The 1961 Voluntary Social Welfare Agencies (Registration and Control) ordinance;
- c. The 1978 Foreign Donations (Voluntary Activities) Regulation Ordinance;
- d. The 1982 Foreign Contribution (Regulation) Ordinance.

Points a. and b. above are considered in the case of local or national NGOs. Points c. and d. concern foreign, international NGOs. However, Bangladeshi (local or national) NGOs, operating development projects with foreign assistance, have to follow either a. or b. for getting the status of a Bangladeshi NGO. In addition to that, they have to follow either c. or d. in order to get foreign assistance.

As a holdover from British rule, there is a provision in the legislation for registering library, scientific and charitable societies (Societies Registration Act No. XXI of 1860). The then British government's first attempt to regulate philanthropic activities was the Societies Registration Act mentioned above. The government adopted the Act on the 21st of May, 1860. Governments are still continuing to register some of the Bangladeshi NGOs under this act. The next step in regulating and controlling NGO activities was taken on the 2nd of December, 1961 by the Government of Pakistan (GOP), in promulgating Ordinance No. XLVI, called the 1961 Voluntary Social Welfare Agencies (Registration and Control) Ordinance. (GOP 1961) This ordinance from the period of Pakistani rule is still practised by the

Bangladeshi governments. It prohibits establishing or continuing any voluntary agency without registration. The ordinance states, no agency shall be established or continued except in accordance with the provisions of this ordinance (Ordinance No. XLVI, Dhaka, 1961, Ministry of Labour and Social Welfare). The ordinance also contains some punishable sections under the title 'Penalties and Procedure'. It states that making false statements and false representation on the part of NGOs shall be punishable by imprisonment for a term which may extend to six months or by a fine which may extend to two thousand rupees, or by both (Ibid).

The first ordinance that was adopted since independence is The Foreign Donations (Voluntary Activities) Regulation Ordinance, signed by the President of Bangladesh on 15th November 1978. According to the ordinance, NGOs must be registered and the churches related to development activities have also been included in this category, in case they receive foreign donations. The regulation states under the heading "Regulation of Voluntary Activity" that "Notwithstanding anything contained in any other law for the time being in force, no person or organization shall, save as provided in this ordinance, undertake or carry on any voluntary activity without prior approval of the government, nor shall any person or organization receive or operate, except with prior permission of the Government, any foreign donation for the purpose of undertaking or carrying on any voluntary activity."<sup>1</sup> The fourth regulatory attempt was The Foreign Contributions (Regulation) Ordinance promulgated by the then Chief Martial Law Administrator on the 6th of September, 1982. This ordinance was partly changed but similar to the ordinance adopted in 1978. According to this ordinance, "Receipt of foreign contribution without permission is prohibited. 1. No citizen of, or organisation in, Bangladesh shall receive any foreign contribution without the prior permission of the government. 2. No Government, organization or citizen of a foreign state shall make any donation, grant or assistance, whether in cash or in kind, including a ticket for a journey abroad, to any citizen of, or organization in, Bangladesh without the prior permission of the Government."<sup>2</sup>

So far, despite the controlling nature of this legislation, the effect of these measures has been to encourage NGOs rather than restricting their activities. However, an amendment to the country's constitution—the Eighth Amendment Bill of the then military-supported government, passed in parliament on the 7th of June, 1988, made Islam the state Religion of Bangladesh. Some NGO leaders, mainly those of church-related NGOs, became increasingly concerned about what the government's next move would be. In practice, most of the country's major opposition political groups (e.g., the BNP, Awami League, Jamat-e-Islami, etc.) remained unrepresented in the then parliament, having boycotted the Parliamentary elections in

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<sup>1</sup> *Ordinance No. XLVI of 1978, The Bangladesh Gazette Extraordinary, Ministry of Law and Parliamentary Affairs, Government of the Peoples' Republic of Bangladesh, 20th November 1978, Dhaka.*

<sup>2</sup> *Ordinance No. XXXI of 1982, Bangladesh Gazette Extraordinary, Ministry of Law and Land Reforms, Government of the Peoples' Republic of Bangladesh, 8th September, 1982, Dhaka.*

March 1988, with demands for (army general) Ershad's resignation (Kalimullah 1991, 169). At that time the government changed the name of the Bangladesh Red Cross Society to the Bangladesh Red Crescent Society and that brought a certain amount of panic to the Church-related NGOs in Bangladesh.

However, NGOs once again got the chance to prove to the non-democratic government that they are unavoidable and needed. The chance came to them a couple of months later, when the 'Eighth Amendment Bill' was already passed. The massive and devastating floods of September, 1988 promoted the immediate involvement of NGOs in relief distribution efforts throughout the country. Along with their partners and colleagues in the donor circle, NGOs were soon criticising the relief effort mounted by the Bangladesh Government to help victims of the recent floods, calling it ineffective and unfair. (Palling 1988 as quoted by Kalimullah 1991, 170)

Prior to 1990, NGOs faced lengthy bureaucratic procedures for the approval of their programmes. The government regulations altogether greatly hampered NGOs' normal operations and project approval was turned into a "nightmare". Dissatisfied with continued restrictions and the delaying of project approval, the NGOs, in order to obtain greater flexibility and autonomy in their operations, sought the help of some donor agencies. The lobbying efforts of NGOs resulted in the establishment of an NGO Affairs Bureau in 1990 to provide a one-step co-ordinated service to NGOs for registration and processing of project approvals, instead of their having to shuttle between ministries for project approval. (Jamil 2000, 158)

In March, 1993, by issuing a circular,<sup>3</sup> the democratically elected BNP Government assigned the NGO Affairs Bureau, to the Prime Minister's Office to operate and co-ordinate the foreign and foreign-funded Bangladeshi NGO activities. According to the present rule, all NGO projects are to be approved by the GOB. The NGO Affairs Bureau is responsible for NGOs in all regulatory matters such as: registration, project approval, emergency relief activities, the receipt and use of foreign aid, the accounting of foreign aid, recruitment of foreign experts, the inspection of accounts, annual report and legal procedures, etc. (Ibid). Without the prior permission of the GOB, the NGOs cannot operate any projects by receiving foreign donations and in the case of hiring foreign expatriates, the NGOs also need the prior permission of the GOB. At present, according to 1978 and 1982 ordinances, NGOs are required to apply to the NGO Affairs Bureau using the prescribed FD forms (FD-1, FD-2, FD-3, FD-4 and FD-5) and giving the Bureau detailed information about their activities. By consulting and co-ordinating with other government agencies (with relevant ministries or divisions and their subordinate departments or directorates), the Bureau takes the necessary action for registration and gives approval for the receipt of foreign donations and concerning other related matters. The present Awami League Government is also following the said principles in regulating NGO activities in the country.

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<sup>3</sup> Circular (in Bangla), *The working procedures to be followed in the case of the foreign and foreign aided NGOs working in Bangladesh*, Prime Ministers Office, Government of the Peoples' Republic of Bangladesh, 27.7. 1993, Dhaka.

The relevant papers, documents and research reports consulted in this study reveal that NGO-Government relations in Bangladesh have gone through different stages at different times. Since democracy was established in 1991 the NGO Affairs Bureau has been trying to make the NGOs accountable to the government, particularly to the Bureau, but the NGOs would like to be free in their activities. The Bureau argued that the 'authoritarian Ershad/military regime' facilitated NGOs to carry on their activities without any question or control from the authorities. Due to the non-democratic nature of the former army government, the Bureau argued after democracy was established in 1991, the previous government was silent regarding the enormous use of foreign donations by NGOs, which was a violation of the existing laws of the country. In 1992, the Bureau submitted a report on NGO activities to the Prime Minister's Office. The report mentioned that NGOs are spending 60% of their foreign assistance on staff salaries and administrative costs rather than on community development and in spending foreign assistance, they do not take any approval from the government. Their unconditional loyalty to the donor agencies is a debatable and controversial issue and could be a threat to the government. The Bureau also claimed the NGOs are engaged in political activities, carry on religious activities and proselytism among poor and illiterate people. In the name of alleviating poverty, but in order to secure their luxurious lifestyle, the NGOs are exhibiting the poverty-stricken picture of Bangladesh in the Western world. As a representative government, there should be enough control to regulate NGO activities in Bangladesh, the Bureau argued.

In response, the GOB cancelled the registration of some of the NGOs for violating the rules and 52 NGOs were alleged to be engaged in proselytism. But the cancellation order was withdrawn within a few hours of its announcement because of the association of these NGOs with some donor agencies. They were able to influence the Government. In this connection, arrest warrants were issued against three foreign nationals by the Metropolitan Magistrate of Dhaka, however the charges were withdrawn according to an order by the Prime Minister's office. Later it went to the news media and a widespread public discussion of the issue took place. Relations between the government and NGOs have continued to be polarised and characterised by considerable levels of mutual distrust. Part of the blame for this has been with the government, and part with the NGOs. The role of the government towards NGOs is still ambiguous. Governments in their five-year plans have categorically emphasised the role and participation of NGOs in national development plans. At the same time, the Government has tried to control and regulate NGO activities by promulgating a number of regulatory laws, thus inhibiting the smooth operation of NGOs in the country. (Report of the Task Forces on Bangladesh 1991, cited by Jamil 2000) In the absence of a system of monitoring NGO activities, the government is not in a position to ascertain the level of contributions that NGOs make to improving the socio-economic conditions at the rural level. (The Daily Ittefaq: 3.1.93 cited by Jamil 2000) The attitude of the GOB up until the mid-1990s was that the government was seeking the opportunity to make the NGOs accountable to them and the NGOs were a

bit frustrated about it. Also the largest Bangladeshi NGOs were benefiting from this situation. By establishing this scenario, i.e., a tension between the Government and NGOs, the NGOs could also gain foreign sympathy and support.

During the general election in 1996 it became very clear that the leaders of some of the largest NGOs had been involved in Awami League politics. This group of NGO leaders played an influential political role during the general election in 1996 and openly campaigned for the Awami League. The League won the election and formed the government and the pro-Awami League NGO leaders got a boost in the power politics of the country. In that way the Government could accommodate the NGO leaders in their system and the NGO leaders could also institutionalise their personal positions in the power structure of the country – despite the fact that the poverty and social security situation of the country has not been improved, if not deteriorated. Ironically, this scenario is paralysing the spirit of NGOs, since they are no longer vocal about the status of the poor. The Government is also getting an opportunity to show its efficiency and effectiveness by satisfying a few in the central power structure and by ignoring the masses on the periphery. Despite this political accommodation by some of the NGO leaders, the relationship between NGOs in the country and the Government has not changed in terms of the rules and regulations applied in controlling NGO activities. The following table shows the degree of influence of the GOB officials on the activities of the NGOs.

**Table 8:** Percentage distribution of degree of influence of the government officials on the activities of the NGOs.

Stages of Project Management	Degree of Influence					Total
	Very High	High	Moderate	Little	Not at all	
Project Identification	6,06	10,61	27,27	39,39	16,67	100,00
Approval	21,22	25,76	19,69	30,30	3,03	100,00
Site selection	0,00	12,12	31,82	31,82	24,24	100,00
Implementation	3,02	1,52	31,82	31,82	31,82	100,00
Monitoring & Evaluation	1,51	3,03	27,28	46,97	21,21	100,00
<b>Average</b>	<b>6,36</b>	<b>10,61</b>	<b>27,58</b>	<b>36,06</b>	<b>19,39</b>	

Source: Survey data, Aminuzzaman : 1994

As is the table shows, during the project approval stage, NGOs are highly influenced by GOB officials. During site selection and the implementation stage, the influence is more or less moderate and it is low at the project identification, monitoring and evaluation stages. The following table shows the relevant GOB rules and regulations and the positions of NGOs.

**Table 9:** Assessment of the government rules and regulations that govern the NGO activities in Bangladesh

	Assessment of Patterns of Governance					Total
	Very Supportive	Supportive	Reasonably Supportive	Less Supportive	Not Supportive at all	
National NGOs	0,00	13,65	18,18	10,61	6,06	48,50
International NGOs	3,03	6,06	22,72	18,18	1,51	51,50
<b>Total</b>	<b>3,03</b>	<b>19,71</b>	<b>40,90</b>	<b>28,79</b>	<b>7,57</b>	<b>100,00</b>

Source: Survey data, Aminuzzaman :1994

The following table shows the number of NGO projects approved by the government from 1990 to 1998 (Begum 2000, 71) and the amount of funds approved and released:

**Table 10:** The number of NGO projects approved by the government of Bangladesh from 1990 to 1998.

Period	Number of approved projects	Amount approved (BDT in million)	Amount released (BDT in million)
Brought forward	8	15	217
FY 1990-91	464	6,342	4,264
FY 1991-92	549	11,484	4,866
FY 1992-93	626	15,995	7,828
FY 1993-94	581	12,601	6,840
FY 1994-95	579	17,627	8,380
FY 1995-96	702	14,672	10,372
FY 1996-97	746	10,259	10,411
FY 1997-98	705	8,525	9,361

Source: Begum 2000, 71

It is interesting that the NGOs always consider the GOB as bureaucratic and control-oriented, although the number of NGO projects approved by the government is being increased every year. On the other hand, the government, while accusing the NGOs for different reasons mentioned above, is nonetheless approving more and more projects every year. Despite this contradictory scenario, the number of projects and the foreign funds released by the Government of Bangladesh have been increasing constantly over the years. Also the collaboration between NGOs and the government has been increasing in a number of socio-economic sectors, including: rural health



care, sanitation, mass literacy, primary education, environmental development, skill training and so on.

### Present trends

Over three decades have passed since NGOs started to work in Bangladesh, but they have not succeeded well. Most of their projects have failed in reducing rural poverty except for some limited success and there is a possibility that poverty may continue to grow in Bangladesh. Why are the NGO projects failing to reach their target, the uplifting of the rural poor in Bangladesh? The following table (Jamil 1995) outlines the problems NGOs are facing in implementing their projects:

**Table 11:** Problems that NGOs normally face in implementing their projects in Bangladesh

*Percent distribution.*

	EXTENT OF PROBLEM		
	Strong	Moderate	Little/ Not at all
Religious/social values	32	24	44
Lack of funds	26	30	44
Non-cooperation of government officials	12	23	65
Lack of professional skill	11	24	65
Lack of motivated staff	11	30	59
Resistance of political leaders	6	36	58
Non-cooperation of target group	3	15	82
N=66			

Source: Jamil, 1995.

Jamil (1995) sees religious and social values as a problem in implementing the NGO projects. It might be a difficult task for NGOs to overcome this problem if we consider the other problems mentioned above. It shows how deeply rooted the religious and social values are in the culture. The lack of funds is also a big problem in the implementation of the NGO projects. The non-cooperation of government officials, the lack of professional skill and the lack of motivated staff are supposed to be a problem but as not severe as values and the lack of funds. Overall, the resistance of political leaders and the non-cooperation of target groups seem to be the least of the problems. In spite of problems, the number of NGOs in Bangladesh is increasing.

Around 90% of the foreign assistance administered through NGOs is spent by 8-10 big NGOs in the fields of family planning, maternity and child health, primary and mass education, agriculture, fisheries, income-generating activities, credit programs, environmental protection, infrastructure development, etc. These NGOs in Bangladesh are employing around 100 000 employees and working in around 20 000

villages. However, even the largest NGOs taken together cover only a fraction of the population: some have estimated that NGO programmes benefit around two million people in Bangladesh out of a total population of 130 million . (Jamil 2000, 145)

The number of NGOs is increasing in Bangladesh like in other Third World countries. Why has this trend occurred? Some hints can be found in the following remarks made by scholars on Bangladesh. 'While aid has strengthened the Bangladesh state (a substantial part of its annual development budget is financed through foreign aid), it has also put constraints on it. The OECD development agencies have put consistent pressure on the Government towards privatisation and liberalisation. Further funding commitments from the World Bank have been conditional on the implementation of policies aimed at structural adjustment. In this context there is a growing preference amongst donors for non-governmental rather than state initiative in poverty alleviation. A world Bank review (1990) repeatedly contrasts NGO activities favourably with those of the state, and recommends the expansion of NGOs to supplement government efforts and provide for improvement in delivery of services through competition.' (Jamil 2000, 159) Other causes can be the ability of NGOs to show the real situation of the grassroots and act accordingly by bypassing the myopic bureaucratic eyes of the government. This is why it is important for the multilateral financial agencies to make a new alternative structure (Kalimullah 1990, 172) so that they do not need to depend on the existing government, political, economic and administrative structures (Khan 1989, 32) in the developing world. These NGOs are needed to assure the success of these new strategies. Thus, very often NGOs are seen as 'parallel government structures', 'loyal opposition', etc.

We could also consider the following general trends outlined in a review of NGO operations in Bangladesh (Ahmed, et al 1994, 2):

- a. The Government of Bangladesh (GOB) has, in principle, accepted NGOs as partners in development management. Various collaborative programmes involving the GOB and NGOs have been designed.
- b. The GOB has authorised some NGOs as contractors for the delivery of selected social services (e.g., education, health, etc.)
- c. Various line agencies and corporate bodies have entered into collaborative programmes with some large NGOs.
- d. Donors are increasingly putting pressure on the GOB to make use of the services of the NGOs. Donors argue that the GOB's institution-building at the local level should be from outside and below through the NGOs and their demonstration effect.

## **NGOs in Bangladesh: some conceptual and functional debated issues**

People with leftist ideology in Bangladesh used to argue and still argue that the position of NGOs is the extended hand of imperialist strategy, supported by the Western world. Following the breakup of the Soviet Union, the outlook of many leftists has changed but, still, some of them consider NGO work to be against the political struggle for fundamental changes in society. They still believe that NGOs are working, firstly, to remove the possibility of a revolution. Secondly, they see NGOs as raising the buying capacity of their target groups, to ensure the expansion of the market for First World products. Thirdly, due to the lack of confidence in unstable governments in the Third World, it is necessary to create alternative institutions, which can be an aid to Western imperialist interests. Fourthly, they argue that NGOs seek to divide landless and poor peasants into innumerable factions so that the possibility of a united peasant solidarity movement can be checked (Muhammad 1983, cited by Kalimullah 1990).

A section of religious fundamentalists such as members of the Bangladesh Jamat-e-Islami Party also share the view of those on the left-albeit from a communal and religious perspective. As most foreign donor agencies are Western, and many of them church-based, they are seen by such groups as Christian imperialist institutions, the observation being that since the target groups do not have true ideological convictions, they are therefore vulnerable to being misguided by foreign ideologies. Fuel is given to their argument by pointing to the nature of programmes being popularised by foreign donors. Particularly, Western donors have been keen to found NGO activities geared specifically towards helping women and strengthening their position and rights in society. The Islamic fundamentalist argument against this is that such programmes destroy the very foundation of family life (Jamat-e-Islami Bangladesh 1987 cited by Kalimullah 1990, 169). Credit programmes also come under fire. Although many NGOs, with the aid of donor funds, run credit programmes which charge a much lower rate of interest than normal money lenders, the very fact that they are charging interest at all is contrary to Islamic principles.

Church-based NGOs are often criticised for proselytism. Other NGOs are also criticised for organising the poor to participate in political activities. The criticisms from the Left claim that NGOs are agents of imperialism that are weakening class struggle and revolutionary zeal has lessened, but what has increased is opposition from the Islamic forces. One of the techniques of these Islamic forces is to discredit NGOs by calling them Christian organisations and by publishing fictitious claims and rumours in their local dailies. (Jamil 1994, 31)

One group of observers considers the NGO role in the development field in Bangladesh as an alternative institutional framework through which the rural poor and socially disadvantaged groups could be reached by bypassing the conventional public bureaucracy. Therefore, to fulfil the organisational gap, NGOs are playing the role of local intermediaries. The same group considers NGOs as participatory

development-oriented organisations because of the grassroots orientation of their economic, human and social development programmes.

On the other hand, another group of intellectuals argues that the NGOs are weakening the local government bodies by installing parallel institutions for local level development through their projects. They believe that the NGOs are efficient mobilisers of the rural poor but reject the idea that NGOs can play any significant role in social transformation. They do not believe that NGOs are politically or socially committed to bring about any significant changes for social progress in the existing power structure. Rather, they prefer to believe, after considering the growing interest among the bilateral and multi-lateral donors in providing support to NGOs, that NGOs are serving the interests of international corporate capital.

From an overview of the available secondary information, research reports and observations, some broad issues that affect the roles and functions of NGOs in Bangladesh can be identified as follows (Ahmed et al 1994, 3-4):

- a. There is no clear-cut Government policy on the role and functional coverage of the NGOs in Bangladesh.
- b. There is a general feeling of mutual mistrust among the members of the GOB and NGO functionaries.
- c. There is lack of co-ordination between the NGOs and the local government bodies as well as the field-level bureaucracy of the national government, resulting in duplication and wastage of resources and efforts.
- d. In many cases NGOs have faced resistance from local bodies and interest groups.
- e. NGOs in general have become more and more dependent on donor support, and thus seem to have failed to mobilise local resources.

In addition, the recent trend shows that some large NGOs (BRAC, Proshika, Grameen Bank, etc.) are now concentrating on using a significant part of their resources on income-generating activities and enterprises. This divergence is causing extensive debate on many levels, including among public policy makers, academics and in the media. The proliferation of credit-based rural development strategies among large and small NGOs is also dominating as a critical issue.

#### **4.1.1: THE NORDIC TIE: AN EMPIRICAL STUDY OF SELECTED NGOs IN BANGLADESH**

##### **Sustainability: the view of the Government of Bangladesh NGO Affairs Bureau**

The NGO Affairs Bureau (NGO Bureau) is a central Government organ in Bangladesh, functions under the Prime Minister's Office and has the responsibility to regulate (i.e., control, co-ordinate, facilitate, promote, etc.) the development-oriented NGO activities in the country. The following summary of interviews with NGO Bureau staff (Ahmed 1996; Alam 1996) is concerned only with their views on two issues: management capacity and sustainability in NGO-led development projects.

According to the NGO Affairs Bureau, the sustainability of NGO-led development projects has great importance in determining their comparative advantage. Foreign resource dependency is very high in NGO-led development projects in Bangladesh. Thus it is very important for NGOs to think about the sustainability of their projects. It is not likely that within 5 or 6 years the NGOs will be self-sufficient. The long-term commitment and involvement of the donors in a certain project are very important in making the project sustainable. At present, the project duration is typically 2 to 3 years – that is not enough to ensure the sustainability of any projects. Donors usually do not give long-term commitments in projects other than education and health care. In these circumstances, large NGOs may, to certain extent, ensure the sustainable status of their projects—but, still, to ensure that they need to reduce their operational budgets. Large NGOs have involved themselves in traditional business activities to earn money in order to be financially self-sufficient – which probably should not be the primary aim of the NGOs. The Government does not have a system to tax such income-generating activities among NGOs. Even the labourers do not get enough payment for their work in these income-generating projects. In India NGO income is taxable. Therefore, the NGO Bureau is somehow of the opinion that NGO economic activities should be taxable—that probably would not be a supportive step for the NGOs, trying to achieve sustainability for their projects. The Bureau considers that the following reasons are the causes of unsustainability among NGO operations in Bangladesh:

- NGOs are ad hoc based.
- Personal (non-institutional) relation to donors.
- NGOs and their activities do not convince the broader population. They do not have widespread public support.
- NGOs are imposing ideas on the public – thus there is no real participation of the poor in NGO projects.
- Non-accountability (NGOs are not accountable to the Government or to their target groups or even to their donors).

In order to ensure institutional, financial, and operational sustainability, NGOs should increase their economic activities and projects among common poor people in Bangladesh. Projects concerning, e.g., legal aid, human rights, etc. are not sustainable—these projects have an important role to play, but so far these projects have been urban-based. Missionary activities are not permanent—thus not sustainable. NGOs are not non-political organisations. Their activities have an effect on the people and their life in Bangladesh. Thus, in a poverty-stricken society people need real economic help from NGOs.

## **The sustainability of selected NGOs**

### **Sabalamby Unnayan Samity**

Sabalamby Unnayan Samity (SUS) is a small NGO working in the northern part of Bangladesh – in a town called Netrokona and its surrounding rural areas. Netrokona Thana has a population of 270 000, 50 000 of whom live in the town, with the rest living in rural areas. The local economy is largely dependent on agriculture. There are no industries, large businesses or service organisations which could employ the vast majority of the people living there. The literacy rate has remained low and landlessness is a big problem. According to SUS (SUS 1995), in that locality religious practices and superstitions encourage male domination and the oppression of women and children. In order to enhance the living conditions of the poor, SUS started its work in 1985 at the initiative of local social workers. The objective of SUS is to:

- make the poor and landless women aware of their situation and make them literate;
- make the poor and landless people aware of the importance of education for their children, and provide primary education and encourage good attendance.;
- foster women's social development and leadership within the community by organising groups around savings schemes and sponsoring training in human development;
- ensure some social security for women and young girls by creating multi-dimensional programmes for their benefit;
- provide family planning services and mother and child health care;
- demonstrate agro-based training through a model farm.

SUS obtained recognition from the Government in 1986 and permission to receive funds from abroad in 1990. Over the years, the activities of the organisation have expanded. According to SUS, the organisation has gained a lot of experience in its work with the poor. In 1992 SUS started a process of restructuring and improving its administration and management. The project components have also been improved with the aim to make their development efforts sustainable. Furthermore, the organisation has been in the process of reducing its financial dependency on foreign donors. (SUS 1995)

At present, SUS is working with an integrated development project (IDP) in 152 villages in the Netrokona district with a budget of BDT 3.2 million. The SUS-led IDP project has four basic components (Rokeya 1996):

1. Social Development and Credit Programme (SDCP)
  - Group formation among the villagers
2. Non-Formal Primary Education (NFPE)

### 3. Employment Counselling (EC)

- Handicrafts
- Model farm

### 4. Family Planning and Mother and Child Health Care (FP & MCHC)

To support these four basic IDP components, SUS has two additional components (Rokeya 1996):

### 5. Training Cell

- Human development training
- Skill development training

### 6. Trade Cell

- Income-generating activities

As understood from an interview with the organisation chief Begum Rokeya (Rokeya 1996), in 1996 SUS was funded by the following organisations:

Uusi Tuli- Finland

SUS Tuki- Finland

SIDA- Sweden/Bangladesh

The Sister Community Association Eksjö-Bangladesh- Sweden

Quakers- Sweden

NORAD- Norway/Bangladesh

Action Aid- UK/Bangladesh

USAID- USA/Bangladesh

A field study conducted in 1996 revealed that the organisation and its IDP activities were functioning well, although the organisation was working in only two Thanas in the Netrokona district—with marginal support from its donors. SUS used to give management training to its workers in association with the BRAC-run Centre for Management Development (CMD). BRAC/CMD organised two-week training courses for NGO personnel. According to SUS, this sort of training was very expensive, i.e., CMD charged a huge amount of money per individual trainee. However during 1994, three persons were trained with the donors' support and they learned about:

- Organisation development
- Approaches to rural development
- Institution building
- Entrepreneurship development
- Evaluation and Monitoring
- Goal-Oriented Project Planning (GOPP)
- Trainer training
- Teacher training, for teachers and other staff.

During 1996 another three persons were supposed to get training dealing with:

- Management Information System (MIS)
- Primary Health Care Management
- Gender Awareness Building

Very few NGOs with a Nordic tie have regular contact with SUS. For example, SUS does not have any contact with other Finnish NGOs working in Bangladesh—which could at least help FINNIDA-supported NGOs in sharing information. SUS keeps contact with the Bangladeshi NGO federation ADAB, but their experience with ADAB is not very comfortable. SUS considers ADAB to be a sort of political organisation which creates groups among NGOs in Bangladesh. They are busier with meetings, etc., than with any real work.

SUS Project Director Ms. Begum Rokeya seems to have overall control (also with apparent popularity) of SUS and its activities—but this probably could not be called charismatic leadership. Her personal good relation with donors and her capacity for convincing people has built trust among the SUS workers and target groups under her leadership. According to her, all 11 executive committee members are active in SUS activities and do not take any honorarium for their work for the organisation. The relation between the members is mutual and pleasant—thus they do not have any problems. According to Ms. Rokeya, she is not in favour of enlarging SUS activities further if it becomes unmanageable. Her opinion is that if SUS becomes bigger, it could be an unmanageable organisation, donor dependency would be higher and the sustainability of their projects could be uncertain. Practically, it seems that SUS is concerned about the sustainability of their projects. The annual activity reports of their activities in 1995 and 1996 (SUS 1996; SUS 1997) clearly demonstrate the status of their sustainability. The 1995 activity report (SUS 1996, 40) shows that during 1995, 49 per cent of the costs related to its project activities were supported by its own funds and the remaining 51 per cent came from its external donors. As a Bangladeshi NGO, this level of financial sustainability is appreciable. However, apart from the profit from SUS credit operations, it is hard to find the local sources of income based on which Ms. Rokeya is optimistic about a prosperous future for her NGO. According to Ms. Rokeya, SUS has a specific ideology for its work in Netrokona. If the amount of support they get at present from external donors were to continue for the next ten years, SUS would be completely financially sustainable and a well managed organisation. That remains to be seen in the coming years.

### **The Madaripur Legal Aid Association**

The Madaripur Legal Aid Association (MLAA) was established in Madaripur in 1978 by a few volunteers with an aim to provide free legal assistance to the marginalised poor people in that locality. Throughout the years the organisation has arranged



mediation, promoted legal literacy, carried out a human rights campaign and training programmes, etc. The organisation has also served in facilitating workers rights and assisted distressed women in establishing income-generating activities. Today the organisation works in ten Thanas of three districts, i.e., Madaripur, Shariatpur, and Gopalganj in the central part of Bangladesh. According to the organisation, 2.3 million people in this region have benefited from their activities. (MLAA 1995a) The main objectives of the organisation are (MLAA 1995b, 2):

‘*a.* to enhance awareness concerning legal rights; *b.* to restore the legal rights of disadvantaged people, especially poor and destitute women, by providing free legal assistance; *c.* to generate pressure for modification and reform of laws through seminars, symposiums and workshops; *d.* to make the mediation system dynamic and popular; *e.* to provide financial assistance to helpless and destitute women as a means of promoting self-employment; *f.* to familiarise workers of different sectors with their rights and obligations by providing them with training on workers rights and labor law; *g.* to build up a pool of skilled human rights activists by arranging and conducting training; *h.* to promote the observance and respect for human rights through the establishment of links with other NGOs.’

MLAA is organising the following projects (MLAA 1995b, 2):

- Free legal assistance
- Dispute resolution through mediation
- Women’s welfare project
- Internship and workshops on human rights
- Training and staff development
- Community legal education, i.e., civil rights and children’s rights
- Awareness of worker’s rights
- Publications

In MLAA's organisational structure the Executive Committee (EC) is consisting of 15 members, elected by the general assembly. As a rule, the EC administers the overall activities of the organisation. The Secretary is the chief executive of the organisation—practically he seems to have overall authority over the organisation. Since its inception, surprisingly the same person has always been the Secretary of the organisation, although at present he does not live in the areas where MLAA is working. He has always been the Secretary probably not due to unanimous popularity, charismatic behaviour, etc. but because of the economic dependence of the people concerned with the election process, voting rights, etc. of the organisation. An evaluation study (see, for example, Sayeed & Rahman 1995) has also been carried out on the dissatisfaction among MLAA members and its Secretary.

As an organisation, MLAA is running quite effectively except its projects are financially 100 per cent supported by foreign donors. The organisation is supported by:

- The Asia Foundation, USA

- Ford Foundation, USA
- NORAD, Norway / Bangladesh
- Christian Aid, UK
- Others.

Some of the young MLAA workers have a good education and some of them have gained a lot of work experience. The organisation arranges training for its staff development. Some of their workers have also got training abroad. The managerial capacity of the organisation is quite good because of its good staff members, although some arrangements and the documentation system are considerably weak. This should probably not be identified as a problem of the organisation; rather, it is a problem that comes from its committee members. According to MLAA workers (Khan 1996; Karim 1996), if the organisation were Dhaka-based, MLAA could be the leading organisation for service provision in legal assistance in Bangladesh. Their being in Madaripur and the surrounding areas limits them in initiating a national-level approach in their work. The argument might be true, since the biggest and most well-known NGOs are based in Dhaka, where the important Government ministries, etc. are located. According to Mr. Khan, the organisation does not have any income-generating projects. Thus the sustainability of the organisation clearly depends on donor funding. If donors stop funding the organisation, MLAA will not be able to continue its work at all. MLAA may earn some money by renting its Training Centre and Auditorium for various functions to other NGOs and from its printing press, but the money it would get from such income is really nothing compared to the expenses of MLAA activities. It seems unlikely that in the near future MLAA would initiate a large income-generating project—since business activities and legal assistance are very difficult to combine in order to secure financial sustainability.

There are organisational problems in MLAA, which is difficult to explain in a short study. A more in-depth study could explore the problem, which could also lead the organisation to change its present arrangements. Donors, however, are probably afraid of such reorganising, thinking it may cause the organisation to lose its present effectiveness. Not only MLAA, probably most of the established NGOs in Bangladesh have similar organisational or managerial problems, i.e., what could be called a ‘founders trap’ and the arrogance or unjustified dominance of the ‘executive board’ over the staff members. This could also be a problem that is generally rooted in South Asian culture.

MLAA is not working directly for poverty alleviation; thus it does not economically help the vast majority of the poor in the areas it serves, to a certain extent creating dissatisfaction among its clients and local society. What is the purpose of MLAA services? Human rights with a Western understanding—by ignoring the economic rights of the poor? Several MLAA workers do not feel attached to the job they are performing for MLAA, rather they see it simply as their job to survive in a competitive job market. MLAA and its donors probably need to develop another approach to deal with the future challenges of establishing democracy and human

rights in poverty-stricken Bangladeshi society, where the majority of the poor could also get some economic benefits, not only the lesson of human rights. As human beings, MLAA target populations also have several ‘responsibilities’ to perform for their family members, e.g., mother, father, daughter/s, son/s, brother/s, sister/s, other relatives and friends—responsibilities which they simply cannot fulfil due to their economic disadvantages. Thus the question of ‘rights’ does not simply become the first priority for the ordinary citizens in their everyday life as measured against ‘social responsibilities’ carried out in order to survive in a poverty-stricken society like Bangladesh. As soon as the MLAA actors understand these original feelings of the poor, then the organisation will become more dynamic and sustainable in its future activities.

## **4.2: NGOs IN NEPAL: A GENERAL OVERVIEW**

### **Facts about Nepal**

The Kingdom of Nepal is a small, mountainous and landlocked country in the Himalayan mountain range. The country has never been colonised but it is sandwiched between the two giants of Asia, China to the north and India to the south. Until recently, Nepal has been very isolated from the rest of the world. (Siddiqui 1992, 227, & MS Nepal 1994, 3) Roughly rectangular in shape, it has an area of 147 181 square kilometres, 83 per cent of it being mountains and 17 per cent plain. As a result, Nepal is one of the worst-off countries of the world in terms of per capita cultivated land. Agriculture contributes about 60 per cent of the GDP and employs 90 per cent of the labour force. The wealthiest 3 per cent of the population own about 40 per cent of the land, whereas 63 per cent of the rural population each farm less than a hectare of land. The 1991 census estimated a population of 18.5 million, which was expected to double in 32 years with the then current annual growth rate of 2.1 per cent. Around the year 2000, the population of Nepal was estimated to have reached 25 million. Life expectancy is about 55 years. The birth rate is 42 and the death rate is 17.1 per thousand. The literacy rate is 29 per cent. Officially, ninety per cent of the total population practice Hinduism, 6 per cent follow Buddhism, 2 per cent are Muslim and the rest are Christians and other minority groups. The Brahmin, Chetri and Newari castes comprise about 22 per cent of the population. They account for about 90 per cent of the top civil service posts and 80 per cent of the National Assembly members. Ninety per cent of the Nepalese are living in rural areas and 95 per cent among them are economically poor. More than half of the Nepalese are living in absolute poverty. The rate of rural under-employment is reported to be over 40 per cent. Females on average have a 25 to 40 per cent greater workload than males. (Siddiqui 1992, Manandhar 1993, & Guru-Gharna 1994)

Nepal is one of the least developed countries in the world. The per capita income is extremely low and the GNP per capita is US\$ 220. (UNDP 1999, 182) The country has a high degree of inequality of income distribution (Guru-Gharna 1994). This geographical situation and various historical and political components have been and continue to be determining factors in the past, present and future process of development in Nepal (MS Nepal 1994, 3).

The administrative or political history of Nepal can be divided into several periods of family rule (Siddiqui 1992, 229):

a. Kirata Period:	(about) 700 B.C. - 225 A.D.
b. Lichhavi Period:	225 - 899 A.D.
c. Dark Period:	899 - 1200 A.D.
d. Malla Period:	1201 - 1769 A.D.
e. Shah Period:	1769 - 1846 A.D.
f. Rana Period:	1846 - 1950 A.D.
g. Interim Period:	1951 - 1959 A.D.
h. Party System Period:	1959 - 1960 A.D.
i. Panchayet System Period:	1960 - March 1990
j. Multiparty Parliamentary form of Government:	1990 - still continuing

Until the late 1940s, Nepal was an isolated state ruled by the Ranas, a family group related to the 'Chetri' named Jang Bahadur Rana. In 1846, Jang Bahadur reduced the former kingdom to a fiefdom to be ruled by himself. All the high posts in the army and in the bureaucracy became hereditary within the Rana family (Skar 1990, 12). Nepal became free from the autocratic and hereditary Rana regime in 1951 and the country embarked upon the panchayat (village council) system of democracy, ranging from Village Panchayats, through District Panchayats to the national legislature or Rastriya Panchayat. Yet a degree of indirect influence by the Rana family has always been existing in Nepalese social, political and economic life. (For details see Skar 1990) Parliamentary democracy was disbanded in 1960 and the Partyless Panchayat system began to take shape. The situation has been changed significantly since the people's democratic movement started in 1990, which has created a multiparty parliamentary democratic form of government in Nepal.

### **Former development initiatives in Nepal**

As mentioned earlier, historically, Nepal has always existed as an independent monarchy. But Nepalese domestic politics has been influenced by its neighbour's colonial powers and recently by its independent neighbours. This has had a significant influence on the rural development process of Nepal.

Rural development in the 1950s in South Asia was the decade of conflicting philosophies. The measures articulated in that rhetoric for improving rural conditions may be summarised as follows:

- first, the implementation of agrarian reforms to redistribute land and impose ceilings on land ownership;
- second, the formation of co-operatives to prevent exploitation by middlemen and money-lenders;
- third, community development programmes including the rapid

- expansion of education, health and other welfare services; and
- fourth, some attempts at increasing the production potential of the agriculture sector through the development of irrigation facilities and reclamation of cultivable waste land.

A similar picture has also been reflected in the rural development process of Nepal through the Tribhuvan Village Development Programme in 1952. The programme could not achieve success due to the ideological differences between the donors (USA and India) and because of several constraints such as a lack of resources, inadequate manpower, and a lack of required institutional structures, etc. (For details, see Khan 1990)

After the removal of the Rana regime in 1961, the panchayat system brought a taste of democracy. The Village Panchayats and District Panchayats were assigned development responsibilities. In order to reflect local aspirations, during the 1960s and 1970s attempts were made to decentralise development planning and administration to the district panchayats. The idea of integrated rural development programmes (IRDPs) received more attention during the Fourth Five Year Plan (1975-80). Besides the problems of sectoral conflicts and rural deprivation, the major incentive for the approach came from increasing donor interest. The donors shared the responsibility to implement the integrated rural development programmes in different areas in Nepal. The Fifth Plan carved out five such integrated IRDP projects. The Sixth Plan (1980-85) was similar to the fifth plan, apart from increasing the IRDPs in some selected new areas. Another initiative, the Small Farmer Development Programme, was begun by the Food and Agriculture Organisation (F.A.O.) in one plain and one hill area in 1975 and later the programme expanded to some additional areas. Apart from some positive changes in agriculture, education and health in IRDP areas, there is a persistent gap between the demand for and supply of institutional changes. The benefits of these developments have mostly gone to the relatively large farmers. The unemployment situation has remained more or less the same. Due to a lack of any particular programme under IRDPs concerning land and tenancy reforms, it can be safely assumed that the situation has remained constant, if not worsened over time. Concerning income distribution patterns and sources of income, the overall picture seems to have remained more or less unchanged. The upper income groups still earn over five times more than the lower income groups. The position of small farmers and low-income rural people has become particularly vulnerable in terms of food and nutrition availability. (See Khan 1990) Thus, the models of government-run rural development initiated in the 1950s, '60s and '70s could not improve or change the economic situation in Nepal. Therefore, the impetus for Third Sector or voluntary non-governmental work is found in the picture, presented by various scholars, of the failure of conventional development activities to improve the condition of the poor in Nepal. (See, for example, Khan 1990, CECI 1992, IIDS 1995, Rademacher & Tamang 1995)

## **The emergence of NGOs as an alternative approach to development**

From the early days of Nepal's history, the idea of aid or assistance has been associated with religious activities. Rich people donated land and resources (guthi) to temples and monasteries. They spent money for the construction of temples, water supply systems, rest houses, bridges, and paved roads to gain religious merit. Charity was reserved for the ascetic, Sannyasi, Buddhist Bhikshu, and Bahun, who were, supposedly, devoting their lives to religious activities aimed at the general welfare of society. This had no genuine altruistic intent. (Bista 1994, 134) Besides these, similar activities have also been pursued by well-to-do Nepali landlords throughout the past centuries. Serving the poor, disabled and helpless people was also widely practised in ancient times (Research and Study Centre 1991, 5). This process of social service continued during the Lichhavi period (225 - 899 A.D.), the golden age of Nepal and in the Malla Dynasty (1201 - 1769 A.D.) (Ibid. 5). A similar process was followed by the Rana regime (1846 - 1950 A.D.), especially the eradication of the Sati system<sup>4</sup>, the self immolation of a woman along with her dead husband, which dates back to old Hindu rituals.

With the objective of serving the community, NGOs appeared rapidly after 1950. The contemporary political spectrum of the country during that time was not giving much space to NGOs in development management. The directed and limited growth of the NGO concept was taking place with little room for the spontaneous growth of NGOs (SWC 1994a, 1). Before 1950, there existed a sort of social services and reform activities, but NGOs were probably absent in Nepal. NGOs started their activities in Nepal after 1950 during the panchayat period. The major achievement in social services was the opening up of non-governmental organisations during that time. Significant efforts had been made towards establishing social services through various social organisations and non-governmental organisations. Apart from these efforts, numerous international non-governmental organisations (INGOs) entered Nepal and they were actively involved in attempting to make Nepalese people self-reliant. For example, the establishment of the: Nepalese People's Welfare Centre in 1951; Nepal TB<sup>5</sup> Eradication Association in 1953; Rotary Club and Nepal Family Planning Association in 1959; Nepal Red Cross Society in 1963 and the Nepal Children's Association in 1964 shows the positive attitude of the panchayat era towards the associational movement. These organisations have been contributing significantly in the fields of: education; health; income generation and skill development; development of minimum infra-structure such as irrigation, road, bridges, drinking water, sanitation, drainage; technology development in agriculture and industries; and improving conditions for orphans and disabled people. (Research and Study Centre 1991, 6 & Chand 1991, 26, 27) Until 1978, the Social Welfare

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<sup>4</sup> The practice of widows burning themselves on their husbands' funeral pyres according to old Hindu rituals.

<sup>5</sup> Tuberculosis.

Department under the Home Ministry, with a couple of staff members, was the only organ responsible for looking into NGO affairs and it was the only NGO-related regulatory agency of His Majesty's Government of Nepal (HMGN) at the national level. This indicates the low priority of NGOs at the time.

With the change in the political system of the country in 1989, the interim government categorically recognised the role of NGOs in national development by making a policy statement on the NGO sector. The major change was the amendment of the 1977 Social Service National Co-ordination Council Act which established a council (SSNCC), with a view to ensure the active participation of NGOs in the development process. The amendment removed controls on the establishment and functioning of NGOs and permitted NGOs to make direct contact with international or foreign NGOs for assistance. However, the NGOs must obtain prior approval of His Majesty's Nepalese Government for receiving such assistance. The amendment of the rule made the NGOs accountable to the SSNCC, on behalf of HMG Nepal, by giving the power to the SSNCC to supervise, monitor and inspect NGO activities. Moreover, the NGOs would have to give their monthly and yearly working report regularly to the council and the council had the duty to arrange for the NGOs accounts to be audited by registered auditors of the Auditor General's Office. Disregarding the controlling points of the amendment, it opened up a new era for the development of the NGO sector in the development scenario of Nepal.

The amendment further constituted two different task forces. These task forces went into specific details such as the composition of the SSNCC, roles and responsibilities, NGOs affiliation to the SSNCC, definition of an NGO and so on. These task forces emphasised the need for active NGOs by providing considerable autonomy and making them able to complement government activities. They reiterated that NGOs needed the prior approval of the SSNCC for receiving external assistance and co-ordination with HMG Programmes would be obligatory whenever NGOs expected to run the programmes with foreign assistance. NGO activities were also to be reflected in the District Development Programme on an annual basis. They made the provision that INGOs would have to act with a counterpart Nepalese organisation and introduced some other obligations about periodical review, audits and accounts, etc. Moreover, these task forces assured the NGOs and INGOs of offering the HMG Nepal's service through a 'single window policy', which means regulatory services provided to the NGOs by a single government department. (SWC<sup>6</sup> 1994a, 3)

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<sup>6</sup> The Social Welfare Council (SWC) is His Majesty's Government of Nepal's co-ordinating and facilitating body for the NGOs working in Nepal.



**Table 12:** The Growth of NGOs in Nepal (Kuriakose 1992, Shrestha 1992 and SWC 1994b).

<u>Year</u>	<u>Number of NGOs</u>
1978	36
1988	175
1991	408
1992	677
1994	1492

Thus, NGOs gradually developed as an alternative social institution providing welfare and development services to the disadvantaged in Nepal. In recent years the number of NGOs has doubled annually. There has been a spectacular growth of NGOs in number and NGOs have extended their programme coverage from relief and rehabilitation to education, health, human and economic development, gender equality and the environment. As in other developing countries, NGOs in Nepal have in recent years also become increasingly involved in some critical areas like human rights, policy advocacy, etc. (Aminuzzaman 1994, 2) Especially the growth of modern development-oriented NGOs has occurred from the beginning of the 1990s. The impetus came from the liberal democratic environment which came after the people's movement in Nepal during that time.

### **The NGO-Government relation in Nepal**

In 1977 HMG Nepal promulgated an act concerning the regulation of modern NGO activities for the first time. The 'NGO Registration Act 2034', cancelled the '(Social Institution) registration Act 1959'. But, according to the present act, NGOs or social institutions registered under the previous act (1959) can still carry out their activities, i.e., they are recognised by law. (HMG 1977a, 1) Later on, the Social Service National Co-ordination Council (SSNCC) came into existence to co-ordinate the activities of the development-oriented NGOs with the Social Service National Co-ordination Council Act, 1977 under the chairmanship of Her Majesty Queen Aishwarya Rajya Laxmi Devi Shah. Under this council, the following six specific committees were formed (Research and Study Centre 1991, 8): a) Health Service Co-ordination Committee; b) Women's Services Co-ordination Committee; c) Community Services Co-ordination Committee; d) Children's Welfare Co-ordination

Committee; e) Youth Activities Co-ordination Committee; and f) Hindu Religion Services Co-ordination Committee.

NGOs would have to work under the close guidance of the above-mentioned council and the concerned committees. According to the Act (HMG 1977b, 17 & 20), Social Organisations (or NGOs) are entitled to operate only after they receive the certificate of permission and any person obstructing the exercise of power vested in the Council or the Committee is liable to be punished by the Zonal Commissioner by a fine extending up to three thousand rupees (local currency) or by imprisonment up to three months or by both. From this scenario, it has been argued (Brown and Korten 1991, 83) that NGOs in Nepal are limited to a few charities working under the supervision of the Queen.

The SSNCC was renamed by the Government as the Social Welfare Council (SWC) during 1992 by promulgating the 'Social Welfare Act 2409'. This was HMG Nepal's attempt to re-establish the former SSNCC's role as the SWC as a 'co-ordinating' and 'facilitating' body for the NGOs in Nepal (SNV 1993, 6). It was stated in the Act (HMG Nepal 1992a, 1) that the Social Welfare Council has been established to make effective co-ordination, co-operation, mobilisation and promotion of social organisations and institutions, in order to run social activities in a more organised way. As understood, the Act made the provision for the local organisations to affiliate freely with the council but a similar act (HMG Nepal 1992a, 6) states that if any foreign non-governmental organisation desires to work within the Kingdom of Nepal, before starting the work it shall submit an application to the Council for the permission from the government. These are the institutional measures of HMG Nepal up to now, which NGOs must follow. Since the inception of modern NGOs is recent, these factors are relevant for assessing NGO-Government relations in Nepal. From the government side it has been said that the new act includes such democratic provisions as that the social organisations will not be compelled to be affiliated with the Council and they can even withdraw their affiliation if they want to and the government will only intervene if they go against their own constitutions. Organisations that do not seek government or foreign assistance need not be bound to the Council (SWC 1992, 8).

HMG Nepal asserts (SWC 1994a, 5) that since the state cannot escape from the moral responsibility of taking care of the underprivileged, neglected and depressed sectors of the community, NGOs have been taken as development agents in the country. Never before in the history of Nepal have NGOs had the opportunity to become partners in development as they have been nowadays. According to HMG Nepal, NGOs are accepted as partners in development in different laws and regulations. The manifestations of this approach can be seen in the: Societies Registration Act; Societies Welfare Act; and District Development Committee Act, all adopted in 1992.

With the advent of democracy in the early 1990s, the NGO movement in Nepal gathered momentum, resulting in the mushrooming of all kinds of NGOs. Many of these NGOs are run as a small-scale family enterprises with most board members and

executive members belonging to one family. Similarly, most of these NGOs also give the impression of being 'opportunistic' in the sense that by establishing an NGO, it is possible to earn 'liquid money' easily from foreign donors. (SNV 1993, 6) We can justify this statement by counting the number of NGOs registered with the former SSNCC in August 1991. During that time, altogether 408 NGOs (Shrestha 1992, 68) were registered with the then SSNCC, whereas at present the total number of affiliated NGOs with the newly established SWC is 1 492 (SWC 1994b, 7). An even greater number, 6 500 (Ibid., 1), is registered in the office of the Chief District Officer (CDO). According to the new act, the affiliation of local NGOs with SWC is not obligatory. Among those registered with SWC, not all NGOs are actively functioning. According to one knowledgeable source, of the organisations affiliated with SSNCC, some 40 per cent of them deserved to be 'scrapped'. In a survey undertaken by South Asia Partnership (SAP) in August 1991 in Eastern and Central Development Regions, only 33 of the 48 targeted organisations could be contacted. Two of the four reasons given for non-contact with the rest had been 'non-operational for some years' and the 'non-existence of the NGO at the given address', the other two being the 'NGO being in non-communicable areas' and 'the NGO members being unavailable during the time of the visit' (SAP 1991 quoted by Shrestha 1992). Thus, given the fact that there is hardly any institution with the responsibility and preparedness to monitor the performance of NGOs around the country, not all NGOs registered with the CDO in the district can be assumed to be functioning. In short, the population of active NGOs in the field remains a subject of future verification. (Shrestha 1992, 68)

Most of the NGOs in Nepal show their interest and preferences for project implementation, due to the possibility of handling money. They have achieved very little as a result of efforts in important work such as policy advocacy and empowerment, which are supposed to be the undisputed domain of the NGOs and where they are supposed to have a comparative advantage over HMG Nepal institutions. Within the NGO sector itself, there have also been some genuine efforts to correct the present trend and also at co-ordinating NGO activities better. In this respect, at least three bodies (NGO Forum, NGO Federation, Coalition- Nepal) have been formed which are trying to establish good networks of NGOs active in different parts of the country. (SNV 1993, 6)

The Nepalese government has accepted NGOs as partners for development. As it is a recent trend, it is difficult to assess the willingness of and measures taken by the government to co-operate with NGOs. If we think about the Nepalese NGO community, it is also a question of how far they can go with their present capacity. The future of the NGOs in Nepal depends on in which areas and how the HMG Nepal builds partnerships with NGOs. By now, most of the measures on the part of HMG Nepal are in the stage of promise rather than reality. As we see it in the Eighth Plan (1992-97) of HMG Nepal, a number of measures have been undertaken to incorporate communities and NGOs in development activities but the practices and achievement of these measures still remain to be seen. However, some of the main steps are listed

below (HMG 1992b, 129) where the NGO-Government relation in Nepal is described:

1. Administrative procedures will be streamlined to avoid stifling community and non-governmental initiatives.
2. A 'one window system' will be introduced to make government decision making more efficient.
3. Clearly defined policies will be formulated and executed (arrangements for liberal acts and rules, decentralisation of authority, simplification in the registration of organisations, greater autonomy for organisations and an atmosphere in which they will be more accountable, etc.).
4. Rather than running their own programmes, international NGOs will be encouraged to operate programmes through local NGOs.
5. Non-governmental agencies will be encouraged to complement local bodies and to undertake creative and novel works of public importance.
6. Information, data and communication with non-governmental agencies will be systematically organised.

### **Problems of, and debates on NGO activities in Nepal**

A set of shortcomings in NGO activities in Nepal has been identified by the UNDP (Kuriakose 1992). Among them, a lack of financial resources; weak or non-existent managerial capability; a lack of access to relevant information; inadequate training facilities; and centralisation of authority, resources and information are important. NGOs and INGOs functioning in Nepal are facing many problems in implementing and operating community development projects.

**Table 13:** Problems faced by Nepalese NGOs in implementing their programmes (Research and Study Centre 1991).

	<i>Percentage</i>	<i>%</i>
1. Lack of funds		27,56
2. Lack of coordination among the NGOs		14,10
3. Lack of proper grassroots policies		12,82
4. Inadequate help from HMG		12,18
5. Lack of encouragement from social workers		12,18
6. Lack of public awareness		9,62
7. Lack of equipment		3,20
8. Problems (lack) of volunteers		3,20
9. Bureaucratic tendencies of HMG		1,93
10. Procedural problems in getting approval for programmes		1,93
11. Inadequate contribution of members		1,28
	<i>Total</i>	<i>100,00</i>

The above table shows that in the opinion of local informants, the lack of funds is the biggest problem in implementing programmes by the local Nepalese NGOs. A lack of co-ordination among the local NGOs is the second biggest problem. A lack of proper grass-root policies in the government of Nepal for the poor people, inadequate contribution from HMG Nepal, a lack of encouragement from social workers, and a lack of public awareness about NGO activities are considered the general problems of Nepalese NGOs in implementing development programmes. Moreover, a lack of proper equipment, inadequate contribution of the members of the NGOs, the bureaucratic tendencies of HMG Nepal in giving approval for programmes and in other dealings with NGOs, and problems in finding volunteers seem to be other major problems the local NGOs are facing in programme implementation.

The following table explains the problems faced by International NGOs functioning in Nepal in the implementation of programmes (Research and Study Centre, 1991)

**Table 14:** Problems faced by international NGOs in implementing their programmes in Nepal

	<i>Percentage</i>	<i>%</i>
1. Lack of public awareness		21,80
2. Lack of proper grassroots policies		19,80
3. Procedural problems in getting approval for programmes		16,30
4. Lack of conceptual ideas on NGOs		17,30
5. Lack of willingness in social work		10,70
6. Bureaucratic tendencies of HMG		7,60
7. No statement		6,50
	<i>Total</i>	<i>100,00</i>

The table shows that in the opinion of local international NGO (INGO) representatives in Nepal, a lack of public awareness is the biggest problem INGOs are facing in implementing their programmes in Nepal. A lack of proper grass-root policies of HMG Nepal, a lack of conceptual ideas on NGOs, and procedural problems related to getting governmental approval are also among the biggest problems the INGOs are facing. Among other problems, a lack of social workers, and the bureaucratic tendency of HMG Nepal seem to be the main problems in the implementation of the programmes by INGOs.

A group of observers (Shrestha 1992, 72) in Nepal considers that the INGOs have a big influence over the management of Nepalese NGOs. This group considers that this tendency of the INGOs is harming the professional growth of national NGOs. According to present Nepalese policy, rather than running their own programmes, INGOs should operate programmes through local NGOs. This group claims there are also such INGOs who create a local counterpart in collusion with a few co-operating individuals only on paper to technically fulfil the Nepalese condition for co-operation, but run the outfit directly. In a large number of cases, institutionalisation of the programme within Nepal does not stand out as one of their goals, stated or implied. It is said that foreign eyes are also accompanying foreign money, except that their hands also come along to help the eyes in most cases! But most Nepalese observers consider this practice of direct management immediately wasteful, unsustainable, and counterproductive in the long-run.

Despite their number and duration, most INGOs have extended their assistance only for very small-scale activities, and in a limited number of places in the country. Their presence is seen to be most prominent in Kathmandu. Table 4. (Kuriakose 1992) may clarify their argument:

**Table 15:** Geographical Distribution of 667 Sampled NGOs by ‘Region’ in Nepal

<i>Region</i>	<i>Number of NGOs</i>
Far Western	14
Mid-western	23
Western	89
<b>Central</b>	<b>497</b>
Eastern	54
<b>Total</b>	<b>667</b>

Hence, the uneven regional distribution shows that most of the NGOs have an urban bias or a tendency toward ‘rural development tourism’ (Ulvila 1995, 19) in Nepal. Almost all of them have their activities around the Kathmandu valley. Nepalese specialists argue (Guru-Gharna 1994, 41) that the plans, programmes and projects made in Kathmandu with the help of donors, usually flow like ripples on the surface, leaving completely untouched the hard-core poor, who lie like bed-rocks on the bottom. This also shows the lack of commitment of opportunistic NGOs to provide their services to the ‘poorest of the poor’ in Nepalese society and this tendency undermines the role of many committed NGOs in the development process of Nepal.

HMG Nepal (SWC 1994b, 2) has also argued about the urban bias of the NGOs and their donors. The majority of NGOs affiliated with the SWC are centred on the Kathmandu Valley. The NGOs are then centred on developed areas like Lalitpur and Bhaktapur. In a country like Nepal, where more than 90 per cent of the population is undeveloped and live in rural areas, the centring of these NGOs in areas having comfortable services is definitely inappropriate. They further argued (SWC 1994b, 2) that if the NGOs really want to be involved in the development programmes of the country, if they really want to assist the poor and uneducated people, then instead of staying in developed cities they should make the remote villages their working field.

Due to a lack of sharing of priorities in a collective context between national and international NGOs, a more appropriate division of responsibility in terms of priority areas and subjects of support has not been forthcoming. On the contrary, it was even noted in a study (PACT 1987) that the competition between two INGOs, namely, World Neighbours and Meals for Millions, each seemingly having complementary experience, resulted in ‘conflicts over methodology and local committee structure’, leading to the division even among the staff of the local NGO, which was the national partner of both. Similar confusion also occurred between Action Aid UK and one of their local partner NGOs over the price/subsidy arrangement for fruit saplings in the Boudha Bahunepati area (PACT 1987 as quoted in Shrestha 1992, 72).

A study by Ghimire, Acharya and Aryal (1994, 20) argued that many NGOs have a special relationship with political parties. This has created confusion between social organisations and sister organisations of the political parties. They also made the critique that many social development organisations are inspired by religious beliefs. There are many Catholic, Protestant, Buddhist, Hindu and Islamic organisations operating or assisting local groups in various parts of Nepal.

Fundamentalist Hindus who believe in the divine origin of things do not want foreign aid to interfere in what is predetermined for society. Even if not vocal, they tend to be very uncooperative towards foreign aid. Confusion and bewilderment among foreign aid administrators and advisers are frequently caused by this attitude of many Nepalese officials. (Bista 1994, 135) NGO officials and activists are also facing this problem, since in Nepal the whole NGO community is highly dependent on foreign aid.

Considering the above discussion and other secondary information and research reports, it would not be irrelevant to assume that the NGO sector in Nepal is limited and so far there is no stable, well established and clear NGO policy of HMG Nepal. NGOs and HMG Nepal are working together in an environment in which co-ordination is largely lacking. There is also a lack of co-ordination between NGOs and INGOs functioning in Nepal. Moreover, as in other South Asian countries, NGOs in Nepal are extremely dependent on foreign donors and have failed to mobilise local resources.



#### **4.2.1: THE NORDIC TIE: AN EMPIRICAL STUDY OF SELECTED NGOs IN NEPAL**

##### **Sustainability: the view of His Majesty's Government of Nepal Social Welfare Council**

The Social Welfare Council (SWC) is the central Government organ with the responsibility to regulate (i.e., control, co-ordinate, facilitate, promote, etc.) the development-oriented NGO activities in Nepal. The following interview with the SWC (Bhattarai 1996) is concerned only with the SWC's views on two issues, i.e., management capacity and sustainability in NGO-led development projects.

The SWC was much discussed politically in Nepal when this study was made. The reason was the duration of its Member Secretary's position in the Council, as by nature it has been a political selection. Therefore, the duration of this chief post of the SWC has been very much influenced by the results of several general elections—thus being unsustainable in nature. Managerial capacity among NGOs in Nepal varies a lot; few NGOs are good and have established effective managerial capacity in project management. Most of the organisations are simply poor in project management. Some NGOs are providing some training in management to others, but still very limited training facilities are available for NGOs. The newly established NGOs are quite weak in their managerial capacity. Thus, the SWC feels that the capacity of these NGOs in project management should be improved. In order to ensure sustainability in their work, NGOs in Nepal should significantly improve their management capacity. The SWC / the Government's attitude is positive toward extending their help to NGOs in this regard. With the present level of management capacity, most of the NGOs would fail to manage their development programmes and the programmes would not be sustainable.

Charitable projects have failed to ensure sustainability in Nepal. The SWC considers that the projects should be sizeable so that the partner NGOs in Nepal could manage the projects. Sustainability of the projects very much depends on the Nepali partner NGOs' capacity to manage projects, because in Nepal all international NGOs are supposed to work through Nepali partner NGOs. In future, capacity building among the partner NGOs should be a prime target for the international donors / partners. The future sustainability of NGO-led development projects largely depends on how competent the local partners are.

### **The sustainability of selected NGOs**

#### **Anandaban Leprosy Hospital**

Anandaban Leprosy Hospital (ALH) is a hospital in Nepal established and run by the UK-based Leprosy Mission International, an international interdenominational Christian organisation. ALH has been working in Nepal since 1957. In October 1956, a committee from the Leprosy Mission International visited Kathmandu to explore the possibilities of leprosy work—through that visit, the hospital work began in 1957 on land provided by the HMG Nepal. ALH is situated about 16 kilometres away from Kathmandu in Lele Panchayat, Lalitpur District at Tika Bhairav Village on the top of

a hill. (TLMI 1995, 3) The mission's commitment to the hospital includes (TLMI 1995, 3):

- (a) To maintain ALH as the main leprosy referral hospital for the central zone of Nepal.
- (b) To be responsible for all leprosy control activities in Lalitpur District.
- (c) To have active involvement in the undertaking of training programmes according to the requirements of HMG Nepal.
- (d) To undertake research activities in the field, clinic and laboratory.
- (e) To provide limited general medical services for the local population of Lalitpur.

The hospital provides indoor and outdoor medical services to leprosy patients. These services includes consultation, screening, registration, nursing, phytherapy, x-ray, footwear and prosthetics, surgical services, health education, eye examination, etc. Apart from services to leprosy patients, ALH also provides indoor and outdoor services to the non-leprosy general patients. These services include, e. g., consultation, investigation, TB examination, medical treatment, minor surgery, obstetrics, etc. The hospital has a leprosy control programme, mycobacterial research laboratories and a training unit. (TLMI 1994, 4) Every Wednesday, an outpatient clinic is held at Patan Hospital, the district general hospital for Lalitpur. Patients from all over Nepal attend the clinic and services are provided to them free of charge. Patients needing hospital treatment are transported and admitted to the ALH. All expenses for this hospital project are coming from the Leprosy Mission International. All sorts of medical treatment for indoor and outdoor leprosy patients is provided free of charge. The Mission also provides food, accommodation and clothing free of charge to all leprosy patients admitted to the hospital. (TLMI 1994, 3, 6)

Altogether 107 staff members work at the ALH. Among them, during the period in which this study was made, two of the staff came from Australia, two from India, and one from England/Ireland. The management capacity of the hospital managers seems to be quite good. Although the quality of medical services should not be measured by the classics of administrative science theories, it could be seen that the services are running well in the hospital and in Patan Hospital—probably, this is a result of good management of the ALH. The services and the environment of the hospital are above average in Nepal. It is likely so because of the external financial background of the hospital. According to hospital officials, ALH is considered one of the two good-quality leprosy hospitals in the whole country.

In terms of financial sustainability, the ALH is a completely non-sustainable hospital. The ALH can barely support 6 per cent of its costs on its own (Failbus 1996). The hospital seemingly does not have any fundraising initiatives. Most of the patients/clients of the hospitals are living below the poverty line. Therefore, there should not be high hopes that the hospital could earn the money needed by charging

its patients. In terms of financial sustainability, the socio-economic condition of Nepal should also be considered. Thus, it seems the hospital will collapse if the Leprosy Mission International stops its funding. A study by Riddel (1994, 20) has also stated that there is no sign that the hospital will ever be sustainable. The study added that all expenses incurred by the ALH are borne by the Leprosy Mission International. Given prevailing conditions in Nepal, there is certainly sufficient justification for continuing to fund a project such as the ALH, but one (donor/s) should do so in the full knowledge that there is little likelihood of its remaining anything but highly dependent upon external funding. Based on a 1996 field visit, it had already seemed that in terms of sustainability of the hospital's services, the ALH has already ensured a certain degree of sustainability by training Government health workers. This knowledge, e.g., how to deal with leprosy patients, etc. in the local society, will exist and be further developed whether or not the hospital exists in the coming years. The authorities could encourage such initiatives that give 'knowledge to people' so that they can survive by themselves. The research work being done in the hospital might have a longer-term contribution, not only for the leprosy patients in Nepal but for the rest of the world. Thus there are several ways ALH could be considered as a project that has ensured a degree of sustainability.

Major support for the ALH comes basically from the Finnish Leprosy Mission (FLM) through the Leprosy Mission International in the UK. However, the ALH workers did not know that a large portion of hospital costs comes from the Finland but were aware of the fact that a portion of the budget comes from the AusAid fund in Australia. The Leprosy Mission International could inform the ALH about the Finnish contribution and the FLM in Finland could also be a bit more active in taking care of the public money that goes to Nepal in their name. The ALH makes a separate report to the donor in Australia upon demand, but the FLM never expected or requested any report from the Hospital. Some information exchange would encourage the Finns or Nepalese at least to understand the nature of this good work.

### **The Association for the Welfare of the Mentally Retarded**

The Association for the Welfare of the Mentally Retarded (AWMR) is a national voluntary NGO in Nepal. An estimated 10 per cent of the population in Nepal have some sort of disability, of which mental retardation is one prominent disability. The organisation was established in 1981 to provide co-ordinated services for the welfare of people with mental retardation and their families. AWMR recognises the fact that mental retardation is quite different from mental illness or insanity which causes disorders of behaviour and emotions. In principle, AWMR believes that functional skill training and basic education can best be provided to a maximum number of mentally retarded people within their own community by utilising available resources and trained community workers, volunteers and family members. (AWMR 1996, 1-2) The aim and objective of AWMR is as follows (AWMR 1996, 3):

- (a) To provide integrated, individualised, uninterrupted and properly adapted special education to individuals with mental retardation.
- (b) To provide meaningful employment and other forms of vocational opportunities.
- (c) To educate the community on the preventive aspects of mental retardation and to make people conscious of their roles and responsibilities relating to people with mental retardation.
- (d) To work as the recognised advocacy organisation for mentally retarded persons and to implement rehabilitation programmes and activities in collaboration with them and their families.
- (e) To identify persons throughout Nepal who have mental retardation and to determine and meet their individual needs.
- (f) To advocate for social, economic and legal protection of people with mental retardation.

AWMR claims that the organisation is officially registered and recognised as Nepal's national umbrella organisation for the care, education, training and rehabilitation of people with mental retardation. An executive committee is elected by the general assembly every four years. The districts have their own elections and are represented in the national general assembly. The organisation has also established parent groups at district and national levels to strengthen MR activities. (AWMR 1996, 5) The programmes of the organisation are as follows (Prasad 1996):

- Awareness programme for the community;
- Training programme for teachers;
- Vocational training programme for the rehabilitation of the mentally retarded.

Under these programmes, AWMR established: Home Visit Units; Resource / Counselling Centres; Pre-Vocational, Vocational and Special Day Care Centres; Sheltered Workshops for production, etc. AWMR also organised several activities related to MR, e.g., seminars, support groups, an MR survey, Special Olympics, documentary films, TV programmes, publications, speech-language and physiotherapy clinic, parent groups, etc. (AWMR 1996, 3-5) AWMR has been in partnership with several donors during the past years. These donor organisations are (AWMR 1996, 7):

- (a) The Norwegian Association for the Mentally Retarded (NFU), Norway
- (b) Maryknoll Fathers and Brothers, USA
- (c) Caritas Neerlandica, the Netherlands
- (d) Society of Jesuits, Japan Province, Japan
- (e) Special Education Council, MOECSW, HMG/Nepal and
- (f) Local funds from Nepal

AWMR is working in 18 districts in Nepal with 31 branches and/or units. About 80 percent of the 31 units are arranging vocational training. Apart from vocational training, AWMR is also encouraging and assisting the individual MR and their families in income-generating activities.

It has been mentioned earlier that AWMR was established in Kathmandu during 1981. During 1984 NFU, Norway came with their support as a major donor to the organisation. Later, other donor organisations gradually came: Maryknoll from the USA, the Jesuit Society from Japan, and Caritas from the Netherlands. During the period of this study, all of them left AWMR except NFU and Maryknoll. In 1996, 80 per cent of the project or activity costs of AWMR used to come from NFU, Norway, 10 per cent from Maryknoll and the remaining 10 per cent from the HMG Nepal. (Dewan 1996; Rabindra 1996) Due to the dissatisfaction with the AWMR executive board, the Maryknoll Fathers and Brothers cut back their funding of AWMR activities. In 1996, they were funding only one unit in Nepalgunj out of 31 units of AWMR throughout Nepal. HMG funds 13 units. The remaining 17 units and the Kathmandu-based head office were totally funded by NFU. AWMR has no fundraising activities—nobody in AWMR could think or plan that some day the organisation could be self-sufficient. The ongoing agreement between AWMR and NFU was supposed to end by 1.3.1996. NFU has always been insisting that AWMR become self-helped to ensure sustainability of their activities. So far, nothing has been done to ensure the sustainability of AWMR because of the managerial conflicts among AWMR board members. The board members were prioritising the next general election—thus busy with the election campaigns and election tricks rather than improving the organisation.

If NFU stops funding the 17 branches/units will immediately be stopped. (Dewan 1996) According to Mr. R. S. Thapa, the representative of the registered auditor of R. S. Thapa and Co. to AWMR, he does not think that AWMR activities will be sustainable, at least not in the near future. The present committee members do not have any interest in local fundraising activities. Due to the unacceptable attitudes of AWMR board members, Caritas-Netherlands and Jesuits-Japan have also left or, in other words, stopped their funding of AWMR. Therefore, the main concern for AWMR activities in the coming years will simply be: where to get funds to continue its work? The same auditor made an audit report for the fiscal year 1993 for AWMR and indicated some important aspects; yet the audit report was not discussed in the next board meeting. Moreover, AWMR does not give much time to the auditor to audit its account—the auditor simply needs to make a report to show the donors, thus they make a report that does not have any other value to AWMR. (Thapa 1996)

In the Executive Committee (EC) board, the members simply do not like each other—this causes all these problems with the functioning of the organisation. The 1996 Chairman of the AWMR has been chairman for the last ten years. Staff members find it difficult to work with the EC members. The district branch/unit offices are also keeping contact with the board or EC members for political reasons,

thus ignoring the office. As a result, the MR and their parents are suffering. (Dewan 1996) There are altogether 13 executive committee member at AWMR. Among them 5 are parents of MR children. Out of these 13 members, only one is female and only four come from outside the Kathmandu area. (Rabindra 1996) During the time this study was made, three parents of MR and one board member were trying somehow to solve the problem with assistance from SWC by forming a new ad-hoc committee. At least they were trying so that the organisation would function again.

Since 1981, only 3 000 MR have received direct or indirect benefits from AWMR activities. Most of them come from urban and rural middle class families. During the study, total number of clients of the organisation was 980 MR people. As mentioned earlier, fundraising activities are not encouraged by the AWMR EC committee members. However, AWMR gets some membership subscriptions, but they cover only 1-2 per cent of the total project costs. AWMR is demanding more funds from the HMG Nepal – it is not very likely that HMG Nepal will support all the costs related to AWMR activities. AWMR has been thinking to organise lottery and cultural programmes for its fundraising activities. The management capacity of the organisation is very weak. AWMR arranges some training for its professionals and teachers but not management-related training. There are few training facilities for the branch/unit offices about bookkeeping and administration. According to Mr. Rabindra:

‘The first problem is funds – we need more funds. People of this organisation should also get training for the development of manpower. Technical people became the leaders of the organisation, this is why organisation-development and management efficiency is weak—effectiveness and accountability should be developed.’ He added, ‘AWMR and NFU partnership is OK. We need their support in future also.’ In answer to the question (Do you share anything with NFU except their financial assistance?) related to the AWMR-NFU partnership, Mr. Rabindra added ‘yes, we would like to expand our activities gradually in all 75 districts in Nepal with their financial support. There are requests from people to open new units. But NFU said, things should be discussed further...’.

Later during 1996, NFU also terminated its co-operation with AWMR due to mismanagement of their funds and other partnership-related dissatisfactions. As a result, AWMR is no longer as strong as it used to be from the mid-80s to the mid-90s, with an enormous financial supply from Norway. A further study could find the sustainability of AWMR activities. At least the sustainability of their services and its effect on the MR and their families could be studied—with a hope of finding possibilities for average MR families in poverty-stricken Nepali society.

## **5.0: THE SUSTAINABILITY OF NGO INITIATIVES: FOUR CASE STUDIES FROM THE FIELD**

### **5.1: CASE STUDY I: BANGLADESH**

#### **The Health Programme of the Bangladesh Lutheran Mission–Finnish (BLM-F) in Northern Bangladesh**

##### **The main features of the BLM-F health project**

The Bangladesh Lutheran Mission-Finnish (BLM-F) is a non-profit organisation that began its work in Bangladesh in April 1981. It is a branch of the Bangladesh Lutheran Mission (BLM), which is the continuation of the work of the Santal Mission of Northern Church. The main objective of the BLM-F is to work for the needy and poor people of Bangladesh in the name and spirit of Jesus Christ, particularly in the areas of health care, education, economics and social welfare. It is registered with the Department of Social Welfare and also with the NGO Affairs Bureau of the Government of Bangladesh. Funding of the activities of the BLM-F is provided by the Finnish Lutheran Overseas Mission (FLOM) and the Government of Finland through the Department for International Development Cooperation of the Ministry for Foreign Affairs of Finland, formerly known as Finnish International Development Agency (FINNIDA).

BLM-F runs mainly health and education-related projects in the district of Naogaon in the Rajshahi Division. Under the Health Programme, BLM-F operates a Family Welfare Centre (FWC) at Musidpur which is run in accordance with the national health care plan and the rules and regulations of the Government of Bangladesh. It was scheduled to be handed over to the Government by the year 2000. There is also a Community Health Service (CHS) centre at Baiochondi, which the Mission runs independently. A second such CHS at Chandan Nagar in Niamatpur Thana being constructed by the Mission was scheduled to start functioning by early 1999.

Besides the Musidpur FWC, BLM-F established three FWCs, at Paroil, Cheragpur and Mithapur, which they constructed and ran for six to nine years and then handed over to the Government.

According to the Project Proposal, the objectives of Health Projects of the BLM-F were:

- Health and family planning clinical services through FWCs;
- Tuberculosis clinical services;

- Community health services through CHS centres;
- Nutrition programme;
- Day care centre for elderly people.

The first three activities are under way but the nutrition programme and day care centre for the elderly have been cancelled due to a lack of resources. At times the Programme has faced serious staff shortages due to unforeseen and even unfortunate events. This has obviously hampered the full implementation of the activities.

Under the education project, BLM-F is running several primary and feeder schools, a hostel boarding children, several adult literacy centres and follow-up groups of adult literacy programme participants.

## **The Musidpur FWC**

**Human resources at the Musidpur FWC** (at the time of the field work during December 1998):

**Government staff having deputation posts:**

- Sub-Assistant Community Medical Officer (SACMO)
- Aya (midwife)

**Mission Staff:**

- Health Teacher
- Service Assistant for TB programme
- Service Assistant for the FWC
- Night Guard
- Aya (midwife)

There is also a post of Family Health Visitor (FWV) which has been vacant for a long period. The salaries of all these staff are paid by the BLM-F.

A patient visiting the Centre goes through registration and is provided with cards for recording clinical follow-ups. In order to reduce the workload, each day 30 cases are handled with serial numbers and in each serial number there may be one or two patients (mother and child).

Each month the FWC is provided with one medicine box, like other government FWCs, by the Thana Family Planning Office. In addition, BLM-F also provides a monthly allocation of different essential medicines. Patients who cannot be treated in this FWC are referred to Porsha THC.

*MCH Care:* Women of 15 to 45 years of age get antenatal care, care during labour, postnatal care, treatment of other general ailments and injectable contraceptives as a



family planning method. Due to the absence of an FWV, the family planning services and ante- and postnatal advice are somewhat limited. Children are treated for their ailments but there is no provision for growth monitoring.

*Family Planning:* the government provides Family Planning materials like condoms, oral contraceptives, injections, copper-T (intra-uterine device) etc as needed. But due to the absence of an FWV, counselling sessions are not held and mainly injectable contraceptives are dispensed by the SACMO.

*Emergency Patient Care:* There is provision for treating emergency patients; usually first aid is administered and, if needed, a referral is made. With proper training, the Centre has the facility to treat patients suffering from poisoning, snakebite, diarrhoea, road accidents etc.

*Health Education:* The Centre provides different health-related information to the waiting patients. Patients are being educated with necessary health tips to improve their health condition. The health teacher has the scope to make people conscious about water and sanitation, excreta disposal, personal hygiene, diarrhoea, nutrition, breast-feeding, night blindness, family planning, immunisation, lathyrism etc.

*Tuberculosis Control Programme:* Twice a week the Centre runs its Tuberculosis Control Programme. The Government, through the Damien Foundation, provides the required TB medicines and other materials. Patients of all ages receive diagnostic and curative care.

*Satellite Clinic:* The FWC is supposed to conduct satellite clinics in different villages and schools. However, during the time this study was made, such Satellite Clinics were not functioning due to the shortage of the required workforce and an excessive workload at the clinic.

## **Baiochondi CHS Centre**

### **Human resources at the Baiochondi CHS:**

Clinic in charge  
Senior Staff Nurse  
Clinic Assistant  
Health Teacher  
Night Guard  
Aya (midwife)

The Baiochondi Community Health Service (CHS) centre started its operation in December 1996 in Baiochondi village in Hazinagar Union at Niamatpur Thana. This centre serves eight surrounding villages of Niamatpur and Porsha Thana.

The CHS provides services to women, children under 10 years and men over 50 years of eight villages surrounding Baiochondi. A patient has to pay two Taka for an identification card. The patient card used to record clinical findings, treatment and follow-ups is kept at the clinic. They also receive medicine by paying forty percent of the cost. This is done in order to recover part of the cost.

*Care for mothers:* This centre provides antenatal and postnatal care for mothers, but does not provide delivery care.

*Child care:* Children aged 0-10 years are getting curative care in this centre. Growth monitoring, weighing, arm circumference measurements are not done.

*Care for the elderly:* Male patients above 50 years can receive treatment from this centre. Women of all ages can receive treatment from the centre.

*Health education:* A health teacher conducts sessions for the waiting patients about health and related matters. The teacher has the capacity to improve awareness about diarrhoea, worm infestations, skin ailments etc. among villagers in the surrounding areas.

*TB drug dispensing:* TB patients living near the clinic can have their daily medicines from the Baiochondi clinic after registration by the Damien Foundation TB centre in the Niamatpur Thana Health Complex.

*Satellite clinic:* Satellite clinic services are usually held in the surrounding villages. They are arranged in villages mainly during winter because of the poor road connections during monsoons. In the satellite clinics vitamin-A capsules are provided and de-worming programmes are conducted.

*Other services:* There is also provision for emergency treatment to all. Personnel from the Damien Foundation visit the clinic once in four weeks for the treatment of local leprosy patients and are assisted by the clinic.

## **The study**

The present study has been prepared based on an evaluation report (Hossain, Ulvila & Khan 1999) prepared during 1998-1999 by a research team (Appendix 1, Case Study I) led by the international research project: NGOs in Development at the

University of Tampere, Finland. The study was carried out to learn lessons from the Health Programme of the Bangladesh Lutheran Mission - Finnish (BLM-F) for the improvement of future activities. The Mission had anticipated planning in 2000 for its next phase of activities in the health sector and it considered it timely and appropriate to commission an outside team to evaluate the past health programme.

An additional objective of the study was to provide material for an academic study on NGOs co-ordinated by the University of Tampere. Three members of the evaluation team are engaged in the project 'NGOs in Development' and are using the field material in academic dissertations, including the author of this dissertation.

The specific objectives of the evaluation were to:

- Analyse the context in which the health project is operating
- Assess the relevance of the health services to the rural women and children
- Assess the impacts of the health programme on the lives of the people living in the work area
- Discuss the sustainability of the interventions

Despite presenting these larger issues covered by the evaluation study, the present study was only intended to concentrate on the issues related to sustainability of BLM-F's health project.

### **Outline of the methodology**

The study focused on two Family Welfare Centres (FWCs) established by the Mission, of which one has been handed over to the government of Bangladesh (Cheragpur FWC) and one is still being operated by the Mission (Musidpur FWC). The third clinic studied was the first of the two Community Health Centres (Baiochondi).

The fieldwork and interviews were carried out in the period 12 - 22 December 1998 in the Naogaon district. Relevant officials at the Mission and at government offices were met and two days were spent at each of the clinic areas. The work schedule is presented in Appendix 2 (Case Study I) and the list of people interviewed in Appendix 3 (Case Study I).

The field work for the evaluation was done by using the approach of Participatory Rural Appraisal (PRA). During the two days spent with each community near the three clinics studied (Cheragpur, Musidpur and Baiochondi), a number of focus group discussions were carried out using visual methods separately with groups of women and men. The PRA tools used included Social Mapping, Venn Diagrams, Pair-wise Ranking of health services, Direct Matrix Scoring of the characteristics of illnesses and Time-Trend analysis of the health issues before and

after the development intervention. A separate 96-page report has been prepared and presented with a brief description of the methods and the results of the PRA sessions. For technical reasons, the document is not included here with this thesis.

The findings of the report reflect the situation in the field as of December 1998. Although the finalising of the report was done in March 1999, the changes that have taken place after the fieldwork have not been taken into account.

### **The existing health care institutions in the studied area**

A major part of the fieldwork was an inquiry into the variety of services people use for their health needs. The villagers identified altogether about a dozen different institutions they turn to. Typically the clinics established by the Mission, traditional birth attendants and village ‘doctors’ consulting people and selling medicines at the bazars were identified as the most central ones. Of the governmental services, the health sector field workers, Thana Health Complexes, Naogaon District Hospital and Rajshahi Medical College Hospitals were mentioned as useful. Also homeopathic practitioners featured in many cases. Traditional health providers included herbalists, faith healers (jharfook) and snake specialists (ojha). These institutions and services are briefly described below.

*Village doctors:* Village doctors are common in most of the villages in Bangladesh. Most of the doctors have health-related training ranging from three months to one year. Some are also practising with only one month of training. These training courses are usually offered and organised by the government’s health directorate, some private institutions and different NGOs. Apart from their consultation with the patients, typically all of these village doctors also have medicine shops. Some of the doctors practise both allopathic and homeopathic medicine simultaneously.

*FWC:* Family Welfare Centres (FWC) are Union<sup>1</sup>-based health and family planning institutions that provide services to women and children. So far, these FWCs are affiliated with the Directorate of Family Welfare of the Government of Bangladesh through the District Family Planning Office. One Sub-Assistant Community Medical Officer (SACMO), a Family Welfare Visitor (FWV) with assistants, i.e., Aya, Peon (office assistant) and Night Guard are stationed at these FWCs. These FWCs provide consultation, medicine and other family planning services to the women and children of the community.

*TBA:* Traditional Birth Attendants (TBA) help the village women during pregnancy and delivery. In Bangladesh these TBAs are called ‘Dai’ or ‘Dhatri’ (midwife). Few of the TBAs receive formal training but most of them work on the basis of their

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<sup>1</sup> Unions are grassroots based local government units in Bangladesh.

personal experience and self-confidence. Usually these TBAs serve the community voluntarily but receive gifts from the parents of newborns.

*Field workers (Family Welfare Assistants, Volunteers and Health Assistants):* These are the field-level posts of the Ministry of Health and Family Welfare of the Government of Bangladesh. Family Welfare Assistants (FWA) are the field-level workers of the Family Welfare Directorate and are responsible for family welfare counselling and family planning activities in their working area. Health assistants (HA) belong to the Health Directorate and are responsible mainly for implementation of different health-related activities and delivery of public health education to the community. Volunteers are people from the community who are providing their time and effort in implementing different health-related government and non-government programmes without pay; sometimes with a minimum honorarium. Usually they are all selected to work in the area of their residence.

*Homeopathic practitioners:* Homeopathic treatment is common among the people in Bangladesh and there is a complete medical college for producing Homeopath Graduates in Medicine. Also there are some other colleges for Homeopaths. However, in practice, most of the homeopath practitioners have no formal training, rather they just read books and attend patients. Usually homeopath practitioners provide consultation and medicine at the same time.

*Traditional practitioners (Herbalist, Jharfook, Ojha):* The traditional practice of medicine is popular in Bangladesh. Among these, Herbal Medicine Practitioners, Jharfook and Ojha are the most common. Herbalists traditionally use herbs, parts of different vegetation and plants in making medicine. There are some organisations which teach herbal medicine. There also exists established companies that produce herbal medicine on a commercial basis. Usually in rural areas most herbalists work without any formal training. Jharfook is, in fact, the practice of blessing by famous religious personalities. Both Muslims and Hindus have kept this practice from past centuries. The Peers, Imams and other religious personalities for the Muslims, and the Purohit (priest) of Mandirs for the Hindus, give their blessing with water, oil or through some other means, e.g., 'Tabiz'. Ojha is the Bangla name for snake charmer and a person who can cure snake bite poisoning. Usually they earn their livelihood by snake charming. Snake charming is a popular entertaining event especially in rural Bangladesh. A few ojhas are also famous for faith-healing and practising herbal medicine..

*Thana Health Complex (THC):* The essential unit in the PHC system is the Thana hospital, providing outdoor and indoor services, administration and technical support, training and supplies, and acting as a referral service for Union Health Sub-Centres and Family Welfare Centres. It is a thirty one-bed hospital run by the Directorate of Health, Government of Bangladesh. Thana Health and Family Planning Officer

(THFPO) is the PHC team leader at the Thana level and the health authority in a Thana. There are eight doctors and one Dental Surgeon in each THC. In addition, Medical Assistants, some Staff Nurses, Laboratory Technicians along with other support staff are deployed in a Thana Health Complex. In most of the THCs there is an X-ray facility, a limited pathology lab facility and an ambulance service. Each THC serves a population of about 200 000. Besides the doctors, the THFPO is being assisted by a Health Inspector (one HI for three AHIs), a Sanitary Inspector and other staff. In the THC the Family Planning part of the service is being supervised by the TFPO on the administrative side and an MO (MCH) on the clinical and functional side. S/he is being assisted by a TFPO, FWVs and other auxiliary staff.

*Naogaon Hospital:* The Naogaon District Sadar Hospital is a hundred-bed hospital which is a secondary-level health-care service provider. The hospital is one of 64 district hospitals sponsored by the government around the country, in this case specifically for the Naogaon district. The hospital has the capacity to provide all sorts of curative medicine through the postgraduate consultants and modern amenities.

*Naogaon private doctors:* In Naogaon town there are services provided by postgraduate and graduate doctors. Usually they provide their services through private chambers (offices) and clinics. Their consultation fee varies from some 40 to 200 Taka.

*Rajshahi Medical College Hospital:* The Rajshahi Medical College Hospital is affiliated with the Rajshahi Medical College under the University of Rajshahi and is a teaching hospital. It is one of 13 public medical college hospitals in Bangladesh. There exists several departments, e.g., medicine, surgery, gynaecology and obstetrics, pathology, microbiology, pharmacology, physiology, community medicine, etc. Apart from a teaching programme, they also provide health services to the community. The hospital provides tertiary level health care and acts as a referral centre for the primary and secondary level health-care providers.

From the group discussions, a pattern also emerged whereby women found, as expected, the FWCs, Mission CHS centres and TBAs more important than did men. Somewhat unexpectedly, men tended to recognise and appreciate the services of the family welfare assistants and volunteers more than women although they are usually female and supposed to reach out especially out to the ladies. However, probably male domination has lead the field workers to communicate mainly with men and distribute the contraceptives to them as dealing primarily with women could create suspicion and distrust.

## **Allopathic treatment is clearly the preferred choice for most illnesses**

The group discussions also revealed that the preferred method of treatment for all illness is allopathic. They further expressed that they prefer to receive allopathic treatment because of the effectiveness of medicines and due to the availability of village doctors.

For illnesses requiring slow treatment, as well as chronic and incurable diseases, homeopathic and herbal treatments are also considered useful. Such conditions include: jaundice, paralysis, tumours, diabetes, epilepsy, impotence, rheumatism, mental illness, haemorrhoids, night blindness, dysentery, gonorrhoea, hernias, pregnancy-related complications, menstrual complications and leucorea.

In case of paralysis and lathyrism, people turn also to jharfook. For snakebite there is the special expertise of an *ojha* – a snake charmer or a snake bite specialist.

The main reasons for using homeopathic or herbal medicine or even *jharfook* first is that they are cheap, available at hand and people's faith in a particular method. And when all those fail, they turn to allopathic medicine.

## **The sustainability of the BLM-F Health Programme: the achieved findings**

### **(A.) The sustainability of the overall health programme**

#### **Context and relevance**

Many women and children are having consultations and being treated for illnesses, and important health information is being communicated to them. Targeting the services on women and children is well justified, as their restricted mobility and access to cash limits the use of commercial practitioners and distant government clinics.

The health services of the Mission have been steered toward women and children. This can be considered well justified, as they are the most vulnerable members of the communities, as indicated by the high rates of infant mortality (IMR) and the maternal mortality ratio (MMR). In 1991, the IMR and MMR in Bangladesh were 92 and 5.5 respectively and in 1997 these were 77 and 3.6 respectively (Directorate General of Health Services 1997). These changes are attributed to the successful implementation of the EPI programmes, the ARI project, the CDD project, health education, the EOC project, family planning programmes, etc. But the rates are still very high.

The health condition of the poor can improve significantly only along with improvements in their socio-economic situation. Although the services of the Mission contribute to the wellbeing of poor women and children, in the long-run their health condition will not advance significantly if their social, economic and political status

does not improve as well. Many important poverty-related factors leading to poor health, such as malnutrition, illiteracy, unemployment and an excessive work-load, are more decisive for wellbeing than access to curative health services. Therefore, it is a positive feature of the Mission work that it works also on education and the promotion of income-generating activities among the same population. However, without addressing also the power structures that keep the adibashis and landless in a marginal position, other activities can hardly bring about significant and lasting changes.

The clinics play a central role in the health of the women, alongside traditional birth attendants (TBAs) and private allopathic practitioners. Establishing the impact of a development project is a very difficult task and hardly ever absolute statements can be made. In the case of this evaluation, the information for assessing the impact was obtained from the local people by conducting PRA group sessions working on a time-trend analysis. Some ten items were compared before and after the intervention and some clear trends emerged. What is written below applies primarily to the FWCs, as the new community clinic has been operating only less than two years.

The health condition of people has improved during the Project period, but the changes can only partially be attributed to the efforts of the Mission. In the time trend analysis, the villagers presented very dramatic improvements in their health condition as measured by the occurrence of diarrhoea, night blindness and maternal and under five-year deaths. Although the information cannot be considered accurate and there is probably a tendency to present the current situation somewhat positively to outsiders, as illness and death can be embarrassing to admit, a clear trend of improved health conditions can be established from the results.

Besides the occurrence of illnesses, also various health-promoting aspects were followed up in the analysis. They included the number of tube-wells, latrines, doctors and the prevalence of immunisation and family planning. Also in all, there has been a remarkably positive trend, most of which can be attributed to private efforts, such as the emergence of village doctors and the construction of tube-wells, or to impressive government campaigns such as EPI and the distribution of family planning advice and contraceptives.

This is not to say that the health programme of the Mission has not played a role in the improved health situation. In earlier years, the clinics were important EPI centres and one of the few sources of contraceptives. The doctors provided by the Mission are comparatively better qualified and the efforts of the Mission in the installation of tube wells and sanitary latrines are part of the movement towards a healthier environment. Therefore, it can be noted that a positive change has been possible because of various simultaneous forces contributing to the same direction, and the Mission has been in its work one of those important actors.



## **Sustainability**

There is no universally accepted definition of sustainability. It has been stated earlier that in terms of project management, sustainability is the survival of activities after the initial period of investment – financial, physical, or technological. In international development assistance, sustainability refers to the continuation of projects and programmes after the termination of assistance from an external donor. Financial sustainability, institutional sustainability and environmental sustainability play an important role in assessing the sustainability of development intervention. Issues related to financial and institutional sustainability have direct relevance to the BLM-F Health Programme which is analysed below. However, the environmental impact of the project has also been analysed in a separate paragraph.

The shift from partnership with the government (FWCs) to independent clinics (CHS) has reduced the institutional sustainability of the services. In the BLM-F Health Programme, the recent trend is to build and operate independent clinics, which is called Community Health Service (CHS). This CHS approach is different than the former FWC approach – which was built upon partnership with the government. Out of four established FWCs, three have already been handed over to the government. The fourth one, the Musidpur FWC, was planned to be handed over to the government by June 2000.

The FWC approach has clearly a degree of institutional and financial sustainability, since after few years of operation by the Mission, the government is operating them with all relevant expenses. The quality of government-run health services might not be similar to the BLM-F – however, the government services are similar to the other government FWCs in Bangladesh. The transferred FWCs are being run by the government – thus having more or less reached institutional and financial sustainability.

Compared to FWCs, the CHS approach has a high degree of isolation from the government – at present there is no concrete plan to merge these independent clinics with the local government health institutions. Financially also in future, these independent CHS centres would be dependent on the money provided by the Mission, whereas a partnership with the local government health institutions could make a clear difference in terms of the institutional and financial sustainability of the CHS centres.

As the main funding source of the BLM-F's Health Programme is the Department for International Development Co-operation of the Ministry for Foreign Affairs of Finland, previously known as FINNIDA, its policies have relevance for the sustainability of the activities. FINNIDA considers NGOs as autonomous also when they enter into a co-financing arrangement with the Government of Finland, but it does set criteria against which the funding decisions are made. One of the criteria is not to fund permanent institutions maintained by Finnish NGOs. During past years, the NGO unit of FINNIDA has also been emphasising the policy that local partners, preferably NGOs, should take over the activities and that no FINNIDA funds should

be used for indefinite running costs. Therefore, it can be expected that FINNIDA will not consider favourably future applications by FLOM if there are costs for the prolonged running of the Community Health Centres without a plan for handing them over to Bangladeshi institutions.

### **Factors which could facilitate sustainability**

Traditional birth attendants play a very important role in the health of mothers, newborns and their families. Presently there are practically no facilities for pregnant women in rural areas to arrange a trained midwife to attend the delivery. TBAs have plenty of knowledge and experience about pregnancy and birth and they are trusted members of the community. The introduction of additional information and basic tools would increase their capacity to ensure safe deliveries and to refer complicated cases to appropriate institutions. The role of traditional birth attendants (TBAs) could be further strengthened through training.

Another suggestion is to further emphasise health education and preventive measures. Most of the visits to the clinics are made by people suffering from communicable diseases which could be prevented through changes in behaviour that are possible without prohibitive cost or unacceptable cultural alterations. These include diarrhoeal diseases, worms and scabies, which can be avoided by using safe water and sanitary latrines and by general cleanliness. Also the vitamin and mineral deficiencies that feature often at the clinics can be prevented by proper diet. Therefore, for the optimal use of the Mission's resources, further emphasis on health education, particularly on water and sanitation, excreta disposal, personal hygiene, diarrhoea, nutrition, breast feeding, night blindness, family planning, immunisation, lathyrism etc., and preventive measures are highly recommended.

No treatment should be provided without advice on preventive measures. Health education should be practical and communicative. The link with the functional education programme could be strengthened and targets and implementation upgraded.

### **(B.) Sustainability of the Family Welfare Centres (FWCs)**

#### **Context and relevance**

Important services are being provided by the Musidpur and Cheragpur FWCs, but the studied clinics are under-performing due to unfilled vacancies. The post of Family Welfare Visitor (FWV) in the Musidpur centre has been vacant for a long time and for a considerable period there has been no Sub-Assistant Community Medical Officer in the Chergpur clinic. As a result, the SACMO of the Musidpur clinic has been under heavy pressure and the services available to the pregnant mothers have

been limited. During this study period the team did not find indications that the vacant position would be filled in near future.

The performance of the FWC handed over to the government has expectedly declined, but it continues to deliver on a relatively satisfactory level. The Cheragpur centre was handed over to the government in 1991 and since then it has been fully run and financed by the government. The performance of the centre, in terms of quality and quantity of services delivered, has expectedly declined, as it is being run by less staff and fewer resources, particularly medicines.

The FWCs' services are not accessible to some groups of poor women (e.g., adibashi). An alarming pattern emerged from the PRA sessions identifying the various health services whereby the adibashi women found the FWCs to be of little or no use to them. The main reason was indecent behaviour from the clinic staff. As a result of this indecent behaviour and inhospitable environment, the adibashi women do not feel comfortable at the FWCs. Therefore they need to contact low-cost traditional local service providers or the village doctors.

The fact that minority communities that tend to be the poorest of the poor are excluded from such services is very worrisome, as one of the rationales for NGO involvement is that they reach out to the lowliest. Unfortunately, it is quite common for development interventions to forget the poorest, as it requires special efforts. However, if NGOs want to justify their existence, they need to address this problem.

As the field organisation of the Ministry of Health and Family Welfare has strengthened (EPI, FWA, volunteers etc.), the importance of the Centres to the people has declined in the field of family planning and immunisation. When the Mission started to establish the Family Welfare Centres they were focal points for immunisation and family planning activities. However, during the past decade, the Government and the donor agencies have provided new resources in these fields for an effective field organisation. The field workers of the Ministry of Health and Family Welfare are providing many basic services, e.g., the distribution of oral contraceptives and condoms, as well as providing family planning counselling, health education, immunisation, etc., on people's doorsteps. Therefore, the importance of the centres to the people has been declining.

## **Sustainability**

*Transferred FWCs have reached a degree of financial and institutional sustainability.*

As stated earlier, the FWC approach has clearly reached a degree of institutional and financial sustainability. Out of four established FWCs, the Mission has already handed over three to the government after six to nine years of operation. The government is operating them with their staff and relevant expenses. The quality of government-run FWC services might not be that good compared to the BLM-F-run FWCs. However, transferred-FWC services are not worse than other government

FWCs in Bangladesh. The fourth FWC was scheduled to be handed over to and then run by the government starting in 2000. It could be said that the three transferred FWCs are sustainable since they are delivering an appropriate level of benefits for an indefinite period of time, although the financial, managerial, and technical assistance from the BLM-F has been terminated. This is a unique case in Bangladesh—usually other social service institutions are not taken over from NGOs by the government due to their huge running costs.

These FWCs were also set to face a new reality as the two directorates, i.e., the Directorate of Health and the Directorate of Family Welfare of the Ministry of Health and Family Welfare, were to be united. Certainly this change would affect the sustainability and quality of services of these FWCs.

*The merging of the Health Directorate and Family Welfare Directorate of the Ministry at the field level posed both risks and opportunities to the continuity of the services at the FWCs.*

In the new implementation project (HAPP-5) of the health strategy in Bangladesh to satisfy the needs of the most vulnerable—women, children and the poor, a one-stop delivery of Essential Services Package (ESP) was developed which consists of a) Reproductive health care; b) Child health care; c) Communicable disease control; d) Limited curative care; and e) Behaviour change communication. Integration of the two directorates would most likely respond adequately to the needs of child and maternal health and clinical contraception by increasing the range, quality, and effectiveness of services. It seems likely that the unified structure will enhance institutional co-ordination, support within the sector, referrals and the adequate utilisation of resources.

The Assistant Director (Clinical Contraception), Naogaon, stated that in accordance with the new implementation plan from January 1999 the tasks of every field level worker was to be re-organised. The Thana and lower-level implementation programmes were outlined. According to the new plan, the Thana Manager looks after all the activities of the Ministry of Health and Family Welfare. There is provision for a community health centre for every 6 000 people of a Union which will be staffed by a Health Assistant and a Family Welfare Assistant and they will provide the essential services package. Construction of these centres was scheduled to start in 1999. HFWC was set as the referral centre, to be staffed by one medical graduate along with the other staff already in place.

### **Factors which could facilitate sustainability**

The first suggestion put forward by the evaluators was to hand over the Musidpur clinic to the government as planned in June 2000. Although there were some informal requests from the people and the officials that the Mission would continue operating

the Musidpur FWC beyond the agreed transfer date of June 2000, the Mission should hand it over to the government as agreed. In the present context, the resources of the Mission will be better utilised in new activities rather than continuing support for the high quality operations and supply of free medicines at the clinic. In the handing-over process, the clinic can help in communicating the wishes of the villagers to the relevant Ministry representatives regarding the staffing and services of the clinic.

Second, it was suggested to appeal to the DD-FP for immediate appointments to the unfilled vacancies of the FWCs. Employing a Senior Staff Nurse temporarily at Musidpur could be considered. Both of the studied FWCs were short of required staff and therefore performing below their potential capacity. Although the Mission is responsible only for the Musidpur FWC, it could use its good contacts with the Ministry to fill vacancies. The Mission could use a similar strategy also for the three other FWCs it has handed over to the government, so that the FWCs do not suffer due to such unfilled vacancies.

Third, it was suggested to support the concerned Union Parishads (UPs) and members of the communities in their efforts to obtain staff and supplies for the four FWCs. As the Mission has played an important role in establishing the four Family Welfare Centres, it could continue to communicate with the concerned Union Parishads and villagers regarding the smooth operation of the centres. The Mission could make sure that the UPs and community leaders are well informed about the correct procedures in handling the affairs of the FWCs.

### **(C.) The sustainability of the Community Health Service (CHS) centre approach**

#### **Context and relevance**

Community Health Service Centres of BLM-F represent an interesting new approach and the centres are performing well and improving. There are complaints about men under 50 years old being excluded from the services and that there is no provision for delivery at the centre. People are pleased that they can avail themselves of the services of the centre; formerly they had to spend a lot of money and travel a long distance for health services. However, they are of the view that the male patients should also get services from the centre and the centre should take care of the women during delivery.

Links to the government structures are limited. The community health services centres of Baiochondi and Chandan Nagar are formally approved by the government and there is constant communication about their operation between the Mission and the officials. Also the locations and the type of services were negotiated with the government. However, the status of the CHS centres is very different from the Mission-operated FWCs which are run by government-deputed staff under the very clear, even strict, guidelines of the government. The FWCs also receive a regular supply of government medicines.

Community participation has been facilitated but to a limited extent. The Baiochondi Community Health Service centre has a local co-ordinating committee consisting of the Union Chairman, Union Council Member, Local Representative (1-2), Clinic-in-charge, Project Officer and Project Director. The committee has met regularly and played an active role in promoting sanitary latrines and constructing the tube well for the clinic compound. The villagers have contributed labour in that construction, and the patients cover part of the costs of the medicines. However, in the crucial decisions such as staffing and operations, the decisions lie exclusively with the Mission.

## **Sustainability**

The CHS approach has a high degree of isolation from the government – at present the government does not have any plans to merge these independent clinics with their existing health institutions. Financially, CHS centres would be dependent on the money provided by the Mission and its donor. The target group's financial situation also limits them in paying for the services they receive from these CHS centres. However, according to the Assistant Director (Clinical Contraception) of the District Family Planning Office at Naogaon, the government has a plan to establish community health centres for every 6 000 people. The CHS centre/s planned and already established by the BLM-F might have a possibility to become those planned community health centres, if the BLM-F wishes and such an initiative is undertaken by the government. However, it should be mentioned that the BLM-F officials' wish to carry on their CHS approach independently and flexibly could become a barrier to the sustainability of the health programme. It is also not likely that the official aid from Finland would be provided for these centres for an indefinite period. The NGO-Support Programme of the Department of International Development Co-operation of the Ministry for Foreign Affairs of Finland is the key donor for the BLM-F Health Programme and they typically provide their project support for a specific project for a duration of three years.

*The model is not replicable due to relatively high unit costs.*

According to the AD (CC) of the District Family Planning Office at Naogaon, the FWC running costs total approximately Taka 367 000 per year (including salary, family planning materials, medicine, maintenance costs, satellite clinic services, and other utilities). The government is paying all these for the transferred FWCs, as presently they belong to the government. The nature of the CHS centres supported by the BLM-F is independent – they have limited links to the existing health establishment of the government. Each CHS centre's annual cost would be about the costs required for the FWCs, depending on the amount of extra services BLM-F provides. With an independent approach, it is not likely that CHS centres would be

handed over to the government or to the local community and the cost would be covered by the government or by the community. The centres would exist as long as the Mission would like to operate them. Therefore, considering the local capacity, the BLM-F-run CHS model is not a good example to replicate due to relatively high unit costs.

### **Factors which could facilitate sustainability**

First, it was suggested to arrange stronger community involvement through a Clinic Management Committee consisting of people from all strata of the community. To facilitate the greater participation of the local communities, the local co-ordination committee could be upgraded to a management committee with increasing decision-making powers. It would be advisable to ensure that there is balanced representation of women and minority communities in the committees.

Second, it was suggested to find a local partner organisation, preferably a public one (MoHFW, UP) that would facilitate the sustainability of the CHS approach. A coordinated approach is needed to link the clinic closer with the government to ensure consistency with the national health policy and sustained operation. The Union Parishad could become a strong partner regarding the clinic operations.

Third, it was suggested to consider making services available to men for a service charge and without a supply of subsidised medicine (consultation and prescription only). During labour, women should be able to access the best available services. The Mission could consider an arrangement that would make full use of the delivery skills of the Senior Staff Nurse for the benefit of the pregnant women.

Fourth, it was suggested to upgrade the skills of the clinic staff. Provision for the staff to attend different national and regional scientific courses and seminars organised by the Government and NGOs would also broaden their views.

**Table16: The sustainability of the BLM-F Health Programme: a glimpse**

<b>Programmes→ Factors↓</b>	<b>Family Welfare Centres (FWC) (all FWCs in co-operation with the government)</b>	<b>Community Health Services (CHS) Centre (independent missionary approach)</b>
Government policy	xxxxx	xxx
Finnida’s commitment	xxx	xx
Managerial capacity	xxx	xxx
<b>Other Factors:</b>		
Organisation	xxxx	xx
Local participation	xxxx	xx
Financial	xxxx	xx
Technological	xx	xxx
Socio-cultural	xxxxx	xx
Resource mobilisation	xxxx	xx
Environment & ecology	xx	xx
External factors	xxx	xx

(x = not good .....xxxxx = very good)

## Conclusion

The Ministry of Health and Family Welfare has assumed responsibility for the financing and delivery of health services in Bangladesh. It finances the health sector directly through taxes and foreign aid. The overall budget for health care is very small—the total government health allocation in 1996-97 was Taka 17 525.9 million. Calculated on a per capita basis, the spending is Taka 142.7 per annum. (Directorate General of Health Services 1997) More than 65% of the development budget in the health sector goes to the family planning programme. 56% of the health budget goes to secondary and tertiary hospitals and 44% goes to clinics, primary and public health. Funds are lacking for increasing the health budget. At present the funding and control of health and family planning services lies with the government and donors. The fact that communities and local governments do not play a role in the financing of health services means that the people who use these services are not involved in the management and decision-making processes related to the services.

Over the past few years, the Government of Bangladesh has made considerable progress in building its rural health care system through the development of the services delivery infrastructure. Total human resources available in this infrastructure by 1997 were: Physicians—29 981; Nurses—13 830; Pharmacists/Compounders—7



700; Dentists—1 200; other health providers—60 536. The government plans to build one Union Sub-Centre (USC) or Union Health and Family Welfare Centre (UHFWC) in each union (4 470), one Health Complex in every Thana (397) and one general hospital in every District (60). Among these planned ones, 4 062 UHFWCs and Union Sub-Centres; 384 THCs and 59 District hospitals have already been functioning (Directorate General of Health Services 1997). Together with these, a package of outreach PHC services comprising: immunisation; control of diarrhoeal diseases, malaria and other communicable diseases; antenatal care; health education; and family planning methods are provided through Family Welfare Assistants (FWAs) and Health Assistants (HAs).

There have also been impressive achievements in the BLM-F's health programme in recent years. It should be noted that in a country like Bangladesh with such disadvantaged socio-economic conditions it is not easy to advance only the health conditions of the poor while other necessary requirements of everyday life are absent. The poor usually suffer in silence with a degree of isolation due to their socio-economic backwardness – therefore ensuring that their participation in development intervention is not easy. BLM-F staff and concerned officials have made a significant effort in implementing the health programme. The established health infrastructures, i.e., the FWCs, CHSs will remain to serve the people in the coming years. Depending on the political commitment and the health policy of the future governments in the country and whatever the quality of services might become, people will always get benefits from these centres.

Most of the people in the studied region are either landless or possess a small plot of land and there is water scarcity—people are using pond water and they cannot afford to spend money on health, sanitation etc. Therefore, efforts only on health are not sufficient. The services the Mission is providing are appreciable. Their existing programmes, e.g., health care, literacy, savings, etc. need proper integration with other socio-economic development programmes in the region. This will also make the health programme more stable in the future socio-economic changes and challenges of the region.

The Government has drafted the National Health Policy Principles and Strategies, and has approved the Health and Population Sector Strategy (HPSS). As a result, the implementation plan of a major undertaking, the Health and Population Project 5 (HAPP-5), has been prepared. The key principles of the planned health policy were (Ministry of Health and Family Welfare 1997):

- Integration of Health and Family Planning directorate;
- Implementation of one-stop Essential Services Package (ESP);
- More community participation;
- Inter-sector collaboration;
- Use of outreach centres of the Extended Programme of Immunisation (EPI) for the delivery of PHC services;
- Introduction of an effective referral system.

The present health programme of BLM-F has come to an end. During the year 2000 the Mission was supposed to decide about its further engagement in the health sector. It is assumed and recommended that the Mission continue its health programme also in the future, at least with the present level of spending. Supporting the Government's health care policy and facilitating community participation would certainly promote the sustainability of the Mission's health care efforts in the region. In addition, linking up the BLM-F's present and future health programme with the existing traditional and modern health care institutions in the region and in the country could be a strategic choice for the Mission in securing the sustainability of their operations.

## **5.2: CASE STUDY II: BANGLADESH**

### **An Institutional Analysis of Bishwanathpur Village in Northeastern Bangladesh**

#### **The main features of Bishwanathpur Village**

Bishwanathpur is a middle-sized Bangladeshi village with an area of 310 acres. In 1996 there were 1093 people living in 217 households. Bishwanathpur is located in the Amtala Union of Netrokona District in the Dhaka Division. The Netrokona District is surrounded by the Indian hilly territory Meghalaya to the North, the Mymensingh District to the West and the South and the Sylhet District to the East. The district is a four hour-drive North from Dhaka, the capital city of the country.

The Amtala Union is located in the central Netrokona Sadar Thana. The Thana consists of 11 Unions and the Netrokona Paurashava (Municipality). It is surrounded by Kalmakanda Thana and Durgapur Thana on the northeastern and northwestern side, Barhatta in the East, Purbadhala on the western side, Atpara on the southeastern side and Gauripur and Kendua on the southern side.

Amtala Union is union no. 7 of the Sadar Thana. It is surrounded by the Lakshmiganj, Kailati and Singher Bangla Unions of the same Thana. The area of the union is 6 588 square miles with 2 562 households and 14 111 people. It has 14 villages, of which the study area Bishwanathpur is one.

#### **People and society**

Among the population of 1093 in Bishwanathpur, 595 are male and 498 are female. Among the 217 households, 122 occupy less than 0.50 acres of land, 30 occupy less than one acre and the rest occupy more than one acre. (SUS nd)

Agriculture is the main occupation among the household heads, who are 123 in number followed by 38 day labourers, 19 carpenters, 15 businessmen, 8 people engaged in services, 4 rickshaw pullers and 1 fisherman. Of the 217 households, 208 are headed by males. The nine female household heads are predominantly housewives. The land of Bishwanathpur is fertile. Among the agricultural products, rice is the most important. In addition, wheat, jute, oil seeds and vegetables are prominent. Many parts of this district are full of haors (lowlands that are submerged in the rainy season and become suitable for cultivation during the dry season). Therefore, fish is abundant in the area.

The village has 510 houses, of which 62 are made of corrugated iron sheets and 448 are made of bamboo and local materials. Among the households, 200 have their own houses and the remaining 17 are being housed in other households.

In Bishwanathpur, all the 217 households use tube-well water for meeting their drinking needs. For other household needs, 98 households use tube-well water and 119 households use pond water. Among the households, 186 use open latrines, 7 use hanging latrines and 24 use water-lodged latrines. No households use pit or any other modern latrines.

Taking loans from the traditional moneylenders is practised in Bishwanathpur. If needed, people loan money for managing emergencies. The moneylenders charge very high interest rates and still people are going to them.

## **The study**

The findings of the present study are connected to the field studies of the research project 'NGOs in Development' implemented by researchers from the University of Dhaka in Bangladesh, the University of Tampere in Finland and Tribhuvan University in Nepal.

The study was designed to get an understanding of local residents' views on the comparative institutional importance of development initiatives in an average Bangladeshi village. The central concept of this section is to examine the sustainability and comparative advantage of NGOs in development management compared to public/state, private and traditional institutions. The study was conducted in Bishwanathpur Village in Netrokona District. Participatory Rural Appraisal (PRA); literature review; structured, unstructured and thematic interviews; observation, and participant observation methods were applied in collecting information for the study.

This empirical study was conducted by a group by the members of the research team 'NGOs in Development' (Farhad Hossain, Marko Ulvila and A K M Saifullah) with the assistance of Ms. Rafatur Rahman Ruba, Ms. Jasmine Akter Khatun and Mr. Masud Khan. The fieldwork in the village was carried out from 29 November to 1 December 1998 by using the Participatory Rural Appraisal method. The main tools used included social mapping, Venn diagramming, seasonal diagramming and pair-wise and direct preference ranking (see the PRA results in Ulvila, Saifullah & Hossain 2000).

The following section first presents an overview of the main institutions present in the Bishwanathpur village. After that main issues emerging from the fieldwork are discussed. The discussion is concentrated mainly on the issue of sustainability of the NGO initiatives in the village.

It should be noted here that changes may have occurred in Bishwanathpur village since 1998, when the main field work was done. For example, at least one of the NGOs working in the area, the Gono Shahajya Sangstha (GSS), was dismantled.

However, the following discussion is based on the situation as it was in December 1998. Subsequent fieldwork carried out by two of the team members (Marko Ulvila and A K M Saifullah) in January 2000 has been used to bring more precision into a separate report (Ulvila, Saifullah & Hossain 2000). However, the present study focuses mainly on the issues related to sustainability and refers to the December 1998 facts of the case study.

## **Presentation and analysis of the main institutions in Bishwanathpur Village**

Due to the complex nature of partnerships between public and private institutions generally, it is difficult to identify some agencies only as ‘public’ or ‘private’. The same is the case with some agencies working with or providing services to the people in a village. One example would be the bazaar (market) in the village. Apart from this, there also exists some traditional rural institutions and services in a village which cannot be easily classified as either public or private. Despite this conceptual challenge, the institutional landscape of Bishwanathpur village is described and analysed below:

### **Public or government institutions**

#### *- Schools and Colleges*

There is no school located in Bishwanathpur Village. The nearest primary school is in Deopur village, which is the only school for the primary level students of the two villages. The school has six teachers, including the headmaster, and provides classes from grades 1 to 5. At the same complex, there is also a high school offering classes up to standard 10. In Netrokona town there is a University College where Bishwanathpur students get their higher secondary and post-secondary (BA, MA) level studies.

#### *- Family Welfare Centre*

Near the school towards Bishwanathpur there is a Family Welfare Centre providing health services, i.e., maternity care and family planning support to the villagers. It is staffed with a Family Welfare Visitor and a doctor also attends patients from time to time. This service is available only for women and children. For others the governmental health services are provided at the Thana Health Complex, popularly known as Netrokona Hospital. The immunisation staff of the health department visit the villagers during the immunisation days, and family welfare assistants distribute contraceptives to interested couples.

- *Total Literacy Movement (TLM)*

In September 1998 a government-led adult literacy programme was started in this village by the name of the Total Literacy Movement, with the aim of making the adult villagers literate. The programme has established four men's groups and two women's groups. The first basic course lasts six months and a post-literacy programme three months. Men attend the classes at night and the women during the day. The programme has achieved good success in the village.

- *Union Parishad (UP)*

Union Parishad is the lowest tier of democratic local self-government in Bangladesh. UPs are the grassroots centres where democracy is practised by the rural people. The UP is an elected body. All the members (one chairman, twelve members including the three female representatives) are directly elected by the people through a non-party based election held every four years. The chairman is the head of the body and nine members are elected from three wards (each ward divided into three blocks). One female member is elected from each ward. The main tasks of the UPs are to collect land taxes and look after development needs such as roads, the bazaar, kheya ghats, schools, madrasas and other social institutions of the concerned area. UPs also act as a distribution channel for food aid sponsored by Vulnerable Group Development, a World Food Programme-coordinated project providing wheat for poor households, as well as old age pensions (Tk 100/month). The income sources for the UPs are land taxes, taxes from bazaars and kheya ghats. UPs also get block grants from the central government. The Bishwanathpur village inhabitants (under Block 7, Ward 3 and Number 7 Amtala Union Parishad of the sadar thana of Netrokona district) actively participate and receive the services of the Amtala Union Parishad.

### **Private institutions**

- *The Bazaar*

There is a market place (Bazaar) in Bishwanathpur village. It was established in 1994. There are two market days a week on which people come to buy their household necessities and sell their produce and commercial goods. Some private shops are permanently open the entire week. The private medicine shops of village doctors and tea stalls also remain open during weekdays. It is the main centre for economic activities for the villagers. The people of the village also use other neighbouring markets and the big markets of Netrokona town. The villagers take great pride in their market, as it was established as a protest move against the harassment they were reportedly facing in the neighbouring Deopur Bazaar.

## **Non-Governmental Organisations (NGOs)**

In Bishwanathpur village there are four NGOs working, namely: Sabalamby Unnayan Samity (SUS); Bangladesh Rural Advancement Committee (BRAC); Gono Sahajya Sangstha (GSS); and Netrokona Integrated Development Project (NIDP).

### - *Sabalamby Unnayan Samity (SUS)*

SUS is the most well-known and active NGO in the village, with its various kinds of activities: savings and loans; education, including non-formal primary education (NFPE) and adult literacy; as well as health care. The village has two women's groups and one men's group directly associated with SUS activities. They meet on a weekly basis to conduct the saving and credit transactions. One non-formal primary school run by SUS offers a three-year course to 30 children. The classes meet for some three hours, five times a week, with a teacher recruited from the locality. SUS also runs a vegetable demonstration plot in Bishwanathpur and provides some health education and services.

### - *Bangladesh Rural Advancement Committee (BRAC)*

BRAC has credit and savings programmes for only one group. This group also meets weekly for transactions. It also receives some advice and instructions from the BRAC programme organiser attending the meetings.

### - *Gono Sahajya Sangstha (GSS)*

GSS has several groups in Bishwanathpur, of which only two to three were active. They used to meet every two weeks and learn about how to form and run a group. After some time the group members started saving into a group account from which loans could be given to the group members. They also staged street dramas about social ills and prejudices and were encouraged to nominate their own candidates to the UP elections. The GSS strategy has been to not provide external loans to people, but they have made an effort to mobilise the local society. About a year after our field study, all the activities of GSS were stopped in Bangladesh. According to the local media, the reason was the corruption charges against the Executive Director of GSS and his hierarchical and dictatorial leadership at the Dhaka based head office of the organisation.

### - *Netrokona Integrated Development Project (NIDP)*

NIDP has one NFPE school. Unlike SUS, the programme runs only for two years. NIDP was also involved in tree planting in the region. Otherwise the concept is the same.

### **Traditional institutions and services**

#### *- Mosque*

There is a Mosque in the village. The villagers established a Maktab (Quran school) in this mosque for their children to learn how to read the Holy Quran and practice other Islamic rituals there. In this village it is considered a respected institution and many of the social disputes are being mitigated by the Mosque based shalish (a kind of conflict resolution council). It deals mainly with domestic issues such as marriage and divorce.

#### *- Village Shalish*

The Village Shalish (mitigation) meets when necessary to solve disputes among the villagers. A group of elderly village heads or influential men are usually invited to a hearing and they select the jury members and request one of them to chair the session. After hearing both the disputing parties, some of the juries, on invitation of the chairman, make their verdict acceptable to both the parties. However, sometimes one party or both are not content with the ruling and go to a formal court process or carry on arguing. In internal family matters, the religious leaders play an important role in the proceedings.

#### *- Other Cultural Services and Festivities*

Culturally, the villagers are very fond of bull fights. It is an important and popular competitive form of entertainment in this village. Various forms of music are also popular. The musical entertainment includes arrangements of *Jari Gaan*, *Kabi Gaan* and *Pala Gaan* (traditional and folk music). Occasionally a *Jatra* troupe visits the village to entertain.



### **A government approach that works: the Total Literacy Movement (TLM)**

The adult literacy campaign of the Government of Bangladesh entered Bishwanathpur in early 1998, with classes beginning in September. The six-month basic training and a three-month follow-up programme have been developed over the years, drawing from various adult literacy programmes internationally.

In the village there have been three centres for men and two for women. The total number of people enrolled in the classes was 150 in 1998 but the daily attendance is lower. The age of the students ranges from 12 to 60 years old. Women attend the classes mainly in the daytime, while men may meet also late in the evening. The groups get together five times a week.

TLM students are usually provided with books, pencils and exercise books. The male centre's evening meetings also receive a lantern and fuel (kerosine). The district administration in Netrokona deployed a Magistrate for looking after the developments of TLM programmes throughout the District. A supervisor responsible for 15 centres was appointed to oversee the smooth running of all the centres. Teachers of the same sex as the groups were recruited from the locality from among people with at least 10 years of schooling.

The active role the government is playing in adult literacy in Bishwanathpur gives an impression that the government is not giving up its role in providing basic education to the citizens. Many elderly villagers are found attending classes in the evening after their hard work in the field during the day.

(Ulvila, Saifullah & Hossain 2000, 8)

### **An analysis of NGO programmes in Bishwanathpur Village**

**Table 17:** Main establishments of the NGOs working in Bishwanathpur Village in Bangladesh

	SUS	BRAC	GSS	NIDP
No of Groups	3	1	2	-
- women	2	1	0	-
- men	1	0	2	-
NFPE Schools	2	0	0	1

- *Savings and Credit*

In Bishwanathpur SUS and BRAC try to promote the villagers' economic activities by encouraging the villagers to take small amounts of credit from them. These credits are mainly used in small business and production activities by the villagers. The credits are provided against the collective responsibilities of the Group members. Credits are routinely checked by the NGOs and are returnable with 15% interest. Commercial banks (e.g., Sonali Bank in Netrokona town) provide agricultural credit against an asset equivalent to the loan amount with an interest rate of 13%. Despite these small differences in their approach, basically these organisations are competing to increase their clients, loans and credit business. There is no formal co-ordination between these organisations. Certainly there is a possibility that the programmes become overlapping, as several actors are offering similar services in the same village. These NGO credit programmes are still playing a marginal role, however, in the economic activities in the village. They are more connected to the NGOs' own survival through the credit business. These credit operations are not to help the poor villagers and to support their livelihood. The violent and inhuman loan recovery process practised by some NGO staff in Bangladesh has been documented in different media and academic research.

- *Non-Formal Primary Education (NFPE)*

The NGO-led Non-Formal Primary Education (NFPE) programme has been appreciated over the past years in Bangladesh. NFPE is a three-year package programme to educate children who have dropped out of formal school and children who never have any access to any sort of formal education. SUS is operating an NFPE programme for 30 students in Bishwanathpur village. The NFPE programme of SUS is an appreciable approach, apart from the fact that these children should be getting formal schooling—so that they could further continue their secondary, post-secondary, etc formal education on the basis of their merit. These young students should not be separated from the formal schooling system. Researchers (Centre for Social Studies 1997) found that NGOs have a tendency to violate the law on many occasions and do not even inform the local government institutions and public primary schools before setting up NFPE schools. Building the capacity of the local public schools could be a strategic choice for the local NGOs, so that all the students would be regarded equally. The economic, social, and cultural aspects of these children and their parents should also be regarded equally by the stakeholders, i.e., the Government, the NGOs, etc. Apart from running NFPE programmes, the stakeholders also should initiate preventive measures so that the children of the village also get equal access to formal education and a natural taste of their potential childhood.

- *Adult Literacy*

SUS is implementing an adult literacy programme in Bishwanathpur village as a part of their participatory training activities. Over the past few years the government has also been implementing an adult literacy programme called the Total Literacy Movement (TLM). As outlined above, the people in Bishwanathpur village have also been participating enthusiastically in the TLM movement. Within a short span of time, TLM has achieved significant positive results with very little spending. Thus SUS could consider merging their adult literacy programme with TLM and could help TLM in their efforts rather than overlapping them.

- *Health Care*

SUS is operating a health care service for Bishwanathpur village by periodically sending a Family Welfare Visitor. In emergencies, the services of a doctor are also available. The village people were found to be receiving health care from the doctors at the local bazar, a government-run Family Welfare Centre, and from the Netrokona Hospital. Compared to these health care services, SUS services have a very limited impact on the local community. However, SUS has a plan to build their own health care centre in Netrokona. Building an isolated health care centre with an attitude of competing with government services would result in a degree of uncertainty for SUS in receiving government support and would make for huge costs to SUS donors. Rather, SUS could be involved in making the local people conscious of preventive measures against common illnesses in the region.

- *Agricultural Demonstration*

SUS has got one 'Vegetable Demonstration Plot' in Bishwanathpur village. The idea is to provide villagers knowledge about the high-yielding varieties of regular and irregular vegetables and crops so that the villagers could grow more food and vegetables. As an idea the approach is good. Bangladesh has an agro-based economy and since its inception as a state in 1971, the country has always been a target of the multinational companies producing agro-support products such as fertiliser, pesticides, hybrid seeds, etc. The SUS vegetable demonstration plot is one step toward modernising traditional agricultural practises. There is also a potential risk in modifying traditional agricultural practices, as the question of ecology and the environment is linked to the issue. It is uncertain the extent to which SUS is conscious of and concerned about the possible risks. SUS may also find this approach suitable to working along with the multinational companies promoting hi-tech agriculture as part of their business.

- *Social Mobilisation*

Only one NGO, called Gono Sahajya Sangstha (GSS), had a different and unique approach to mobilising the local society politically. They did not believe in the aid jargon at the grassroots level and neither were they involved in providing external credits to the poor. Rather, they encouraged the poor to get together and help in promoting local democracy, making the local bureaucracy more responsive, and increasing people's awareness of different practical aspects related to everyday life. They put primary emphasis on building a well-functioning democratic system in the society and secondary emphasis on developing and modernising the society so that every member of the society could equally share the benefits of these developments. Despite the fact that this approach was found interesting and very different from the aid-dependent traditional NGO approach, all the activities of GSS were abolished in Bangladesh about a year after the study was carried out. The reason why GSS broke down is not known.

GSS had a very different approach, as its objective was primarily to mobilise poor people for self-help and for advancing their interests. The idea of the organisation was to promote the establishment of village groups (*gono sangathan*) which were to form a union confederation (*union gono sangathan*). These were intended to unite at the Thana level.

One strong Gono Sangathan has been established in Hindu para, in the village studied—Bishwanathpur. It had 40 members from the same community and was homogenous, as all them are of the same religion. The savings practice made them confident to take big initiatives. The members of the Gono Sangathan had saved 500 000 Taka within three years of its initiation. The members were not going to anyone for loan. They were taking loans from their own money and planning to invest a small amount in some profitable ventures like cattle raising, dairy farms, etc.

### **The sustainability of NGO programmes compared to public, private and traditional institutions**

The NGO sector in Bangladesh is heavily dependent on foreign aid. In recent years some of the large Bangladeshi NGOs like Proshika, Bangladesh Rural Advancement Committee (BRAC) and a few others could ensure part of their project costs by initiating credit business and with some limited income-generating approaches. Despite some limited achievement in self-sufficiency, SUS in Netrokona in recent years has been dependent on the aid provided by the Royal Norwegian Embassy in Bangladesh, Sister Community Association and Quaker Service in Sweden, SUS Support Group and New Wind in Finland, and from Action Aid UK/Bangladesh. Most of the services provided by SUS would be stopped if these donors were to stop providing their aid to SUS. SUS programmes in Bishwanathpur village are also

dependent on the aid received from these agencies and thus remain unsustainable. Their new microcredit business, however, has achieved a degree of sustainability.

Government-run regular education programmes in Bishwanathpur appear to be more sustainable. The local primary and secondary schools in Deopur village and the college in Netrokona town have existed a long time and provided educational services to the villagers of Bishwanathpur. It should be mentioned here that Bishwanathpur village does not have its 'own' schools and colleges; the students receive their education from the neighbouring villages, e.g., Deopur, and towns, e.g., Netrokona town. These schools are trusted as long-lasting institutions for educational attainment. Some villagers think that the NGO-led NFPE schools and literacy centres are recent and non-permanent in nature. However, the services these schools and centres are providing in non-formal education and adult literacy have a long-standing sustainable effect on people's lives in the village. This is also true for the government-run adult literacy centres (the Total Literacy Movement), since after the temporary intervention the attained literacy will remain.

In the past and still today BRAC in Bangladesh has been tied to the global aid system. Only in recent years has it achieved a degree of financial sustainability through the organisation's business ventures, including microcredit and banking business. BRAC's target group in Bishwanathpur village is simply a commercial venture providing micro financing to the poor and earning the interest from it. Two of BRAC's numerous programmes make it necessary and possible to continue its presence in the area. They are the Saving and Credit Programme and the Microenterprise Credit Programme. In the first, the role of BRAC is to provide a field worker who meets with the group every two weeks and who runs or oversees the regular savings and interest and principal instalments. The role of BRAC is also to provide capital for loans exceeding the savings of the group. The real interest rate of the loans is more than 20 percent, which enables BRAC to recover a significant part of the costs. As part of its long term strategy, BRAC, like other commercial banks, strives to own its area/branch offices instead of using rented premises. For example, the Netrokona Sadar Area office is owned by BRAC. It serves as the office and a training facility. Commercial ventures of BRAC, e.g., the planned BRAC Bank, have resulted in a controversy over the traditional role of NGOs versus the commercial intervention by the NGOs. A decision from the country's high court is due about the commercial approach of BRAC. The question of sustainability through commercial ventures is still ambiguous. Thus it is risky to call BRAC a sustainable organisation.

The collapse of GSS is a very relevant example of the sustainability of NGOs in the country. The reason why GSS collapsed is not well known. However, it is certain that the reason was not locally linked to the presence of GSS in Bishwanathpur village, rather the reason was linked to its bureaucracy at the head office in Dhaka. Hostilities with other NGOs and the existing regime could be one reason why the organisation suddenly collapsed. A different study focused only on GSS could find exact information in this regard.

NIDP is a new organisation in the region and in the studied Bishwanathpur village, NIDP has very little presence. NIDP is only involved in one NFPE programme and planted some trees in the village. The education provided to the children will always remain with them and thus bears a degree of sustainability. The planted trees, if they survive the mouths of the cattle, will have a long sustained effect on the village.

All four NGOs in a small village like Bishwanathpur run somewhat similar programmes, i.e., saving and credit groups and non-formal primary education, although there are some important differences in the approaches. While GSS does not aim at a permanent presence in the field, that is an important part of the strategy of BRAC. It needs to be further studied what kind of effects this overlapping has for the people and for the organisations. The growth of NGO activities is often attributed to the failure of the government to perform essential tasks such as basic education and primary health services. In the case of adult literacy, the recent performance of the government's Total Literacy Movement seems to contradict this notion, as in a short time a large number of the illiterates of the village were provided with basic training. However, in the field of primary education, it is quite obvious that the governmental facilities are inadequate for the growing population. Therefore, the NFPE schools of the NGOs do provide an important avenue for education. Their sustainability, however, can be questioned. (Ulvila, Saifullah & Hossain 2000, 10)

As a matter of fact, despite the presence of four NGOs in a small village like Bishwanathpur, these NGOs could not have a positive impact on the lives of the people. It was found that in everyday life, people are still dependent on and tied to the local public, private, and traditional institutions. People still have more trust in the government (e.g., schools, banks), private (e.g., private physicians, bazaar), traditional (e.g., mosques, shalish) institutions compared to NGOs in their everyday life. In the pair-wise ranking by three groups of villagers, SUS was mentioned by two of the groups as the last one compared to the public, private, NGOs and traditional institutions identified by the villagers in their own village. Pair-wise ranking of the educational programmes by a group of Hindu women was favourable to SUS (ranked first) – thus providing a different insight. (see, e.g., Appendix 1, Case Study II). In practice, the NGO activities are very marginal and still very far from the real struggles in the lives of the poor people. The sustainability of these NGO interventions in the village largely depends on external funding or on commercial ventures (micro credit, etc). Most of the people have very little to share with the NGOs in terms of the struggles they are facing in leading their everyday lives. Thus the possibility of mobilising resources from the village to support and operate these NGO activities is basically impossible.

**Table 18:** The sustainability of NGO initiatives in Bishwanathpur Village in Bangladesh: a glimpse

<b>NGOs→ Factors↓</b>	<b>SUS</b>	<b>BRAC</b>	<b>GSS</b>	<b>NIDP</b>
Government policy	xxxx	xxxxx	xxxx	xxxx
Donor commitment	xxx	xxxxx	xx	xx
Managerial capacity	xx	xxxxx	xx	x
<b>Other Factors:</b>				
Organisation	xxxx	xx	xx	x
Local participation	xxxx	xx	xx	x
Financial	xx	xxxxx	x	x
Technological	xx	x	x	x
Socio-cultural	xxx	xx	xx	x
Resource mobilisation	xx	xxx	x	x
Environment & ecology	xxx	xx	x	xxxx
External factors	xxx	xx	xx	xx

(x = not good .....xxxxx = very good)

## Conclusion

All the development intervention by all four NGOs in Bishwanathpur somewhat promotes modernisation. Apart from GSS, all other NGOs were directly trying to modernise the village in terms of economy, education, health care and family planning, agriculture, etc. The essence of all the NGO programmes is about change – changing the society towards modernisation. Some elements of modernisation are good and the achieved results are sustainable and would remain with the villagers for an indefinite period.

The studied NGOs in Bishwanathpur seem to be the agents of modernisation and knowingly or unknowingly facilitate economic globalisation at a micro level. They tend to ignore the consequences of bad elements of modernisation and economic globalisation. Microcredit, for example, critics argue, links the smaller finance and savings of people to the World Bank and thus disempowers the local and national economies and strengthens only the global financial capitalism and transnational institutions like the World Bank, etc. A lot of new consumption patterns are created by modernising the traditional societies, which creates new structures of dependency on the global economy controlled by transnational corporations. This

kind of tendency could easily be found in the NGO programmes in Bishwanathpur village. Thus, in a given environment like that in the studied village, it is also difficult to accurately assess the sustainability of NGO operations in which whole initiatives are externally imposed. However, it is certain that the NGO initiatives in the village are closely linked to the global aid system and any (negative) changes in this system would make the studied NGOs vulnerable and unsustainable.



### **5.3: CASE STUDY III: NEPAL**

## **Public, Private, and Non-profit: Institutional Analysis of Hekuli Village in mid-Western Nepal**

### **The main features of Hekuli Village**

The Hekuli Village Development Committee (VDC<sup>2</sup>) is one of the 39 VDCs of the Dang District in the mid-western part of Nepal. The district is located in the Dang valley 450 km from Kathmandu, the nation's capital. It takes a 13 hour-long public bus trip to reach Hekuli from Kathmandu.

Hekuli was formerly known as *Sukaura Gaun Panchayat*. The present VDC office and other development agencies were located in Sukaura Village. According to a local source, in 1972 a local *Tharu Zamindar* called *Dharnidhar Chaudhari* became the Chairman of the Sukaura Village Panchayat and donated several plots of land to different institutions, i.e., to the secondary school, Village Panchayat, health centre, etc. The land given by this Zamindar to the village panchayat was located in Hekuli village and since then the name of the Sakaura Village Panchayat was changed to Hekuli Village Panchayat and similarly to Hekuli VDC. With the active role of Dharnidhar Chaudhari, the road between Potali and Hekuli was constructed and the village connection was established in 1964 with the Tulsipur – Purandhara central road in the western part of the Dang valley.

### **People and society**

One can easily find multi-ethnicity in the central demographic characteristics of Nepal, which are also represented in Dang district and particularly in Hekuli. The total population of Hekuli is 8 512, of which the male and female composition were 4 272 and 4 240 respectively. Out of the total population, Tharu (also called Chaudhari) is the dominant ethnic group, comprising 57.75%, followed by Brahmin and Chhetri with 29.32%, Sanyasi 6.43%, and Damai and kami 4.17%. The rest of the other castes like Magar, Newar, Gurung, etc. total just 2.33 percent. (CBS 1991, Dang DDC 1995-96, 1)

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<sup>2</sup> A Village Development Committee (VDC) is a political and administrative grassroots unit of local government in Nepal. There are 4913 VDCs all over the country. A VDC is divided into nine wards (parts). People residing in a VDC elect an eleven-member Executive Committee (EC) and also other members at the ward level for a period of five years. The EC comprises a chairman, vice-chairman and nine members (each one representing a ward). (HMG/N 1998 / 2055, 3-15).

## **The study**

The study was designed to get an understanding of the village peoples' views on the comparative institutional importance of development initiatives in Nepal. The central concept of the research was to examine the sustainability and comparative advantage of NGOs in development management compared to the public/state, private and traditional institutions in Nepal. The Nepal case study focused in part on the Hekuli Village Development Committee (VDC) in the Dang District of midwestern Nepal. The Participatory Rural Appraisal (PRA) method was used to form the basis of the findings of the present study. Moreover, literature review; content analysis; structured, unstructured and thematic interviews; observation, and participant observation methods were applied in collecting information for the study.

The fieldwork of this empirical study was conducted by Farhad Hossain, University of Tampere, and by Tek Nath Dhakal, Tribhuvan University, with the assistance of Mr. Balmukanda Mahat and Ms. Mandira Devkota from Kathmandu and Ms. Renuka Chaudhari and Gorak Bahadur Chaudhuri from Hekuli village. The fieldwork in the village was carried out during July 1999 by using the Participatory Rural Appraisal (PRA) method. The main PRA tools used included: rapport building, social mapping, time-trend analysis, Venn diagramming, semi-structured interviews, as well as pair-wise and direct preference ranking (See, e.g., the PRA results in Hossain & Dhakal 2000).

This section of the thesis presents an outline of Hekuli village with a description of the local society and former development initiatives in the village. The main public, private, non-governmental, and traditional institutions in the village are also presented. An analysis of Backward Society Education (BASE) programmes in Hekuli is also summarised, followed by a discussion of the main issues emerging from the observation, i.e., in the fieldwork. The discussion is concentrated mainly on the issue of the sustainability of NGO initiatives in the village, especially on BASE. Finally, based on the achieved research findings, the peoples' views on public, private, non-governmental, and traditional institutions have been analysed.

## **Former development initiatives in Hekuli**

Among other former national level development initiatives in Nepal mentioned earlier in this work, an Integrated Rural Development Project (IRDP), called the Rapti Development Project, was initiated in phases starting in 1979 and was intended to continue for 15 years. The project covered all districts of the Rapti Zone<sup>3</sup>. Including Hekuli, the project also covered all 39 VDCs of the Dang District. The implementation of the project started in 1981 and ended in 1997.

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<sup>3</sup> One tier of the administrative divisions of the country. For example, the central administrative divisions in Nepal are based on the capital, regional, zonal and district levels.

This IRDP created some basic infrastructures such as roads, irrigation canals, drinking water systems, and helped in the formation of community forestry groups, etc. which could be useful particularly in Hekuli. However, other important elements, e.g., creating awareness among the illiterate, disseminating of health and hygiene knowledge, and generating income among the most deprived were lacking. Despite the fact that this project tried to develop the region, it could not address the needs of the grassroots. When the external funding was stopped, the project activities could not be continued--there was a problem of sustainability in the project.

## **A presentation and analysis of the main institutions in Hekuli**

It has been stated in a previous chapter that due to the complex nature of partnerships between public and private institutions, it is difficult to identify some agencies as only 'public' or 'private'. The same is the case with some agencies working with or providing services to the people in Hekuli VDC. One example could be the Telecommunication Service in the VDC. Apart from this, there also exists some traditional rural institutions and services in Hekuli. In the analysis made for this study, these organisations are identified as peoples' traditional institutions. These traditional institutions are sharply different in their nature from public institutions, private institutions and modern development NGOs. The institutional landscape of Hekuli VDC is described and analysed below.

### **Public/state institutions**

#### **- *Hekuli VDC***

The Hekuli VDC office is located in Hekuli Gaun (Ward No. 8, Ilaka<sup>4</sup> No. 6) of the Dang district. The VDC comprises altogether 19 human settlements (clusters) with different castes and ethnic communities (Dang DDC 1995-96, 68). It is responsible for the local development of the VDC area and should also co-ordinate other governmental offices, NGOs, and private organisations for the development of the VDC. The VDC also has to play an important role in mobilising the local people into the development process of the village. The people select a Village Development Committee for five years to run the day-to-day business of the VDC.

The major source of VDC income is NPR 500 000, an annual block grant provided by the central government. The government also provides social security grants to the VDC for supporting senior citizens who are 75 years or older and widows above 60 years old. The VDC also collects land taxes from the VDC area.

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<sup>4</sup> An Ilaka (Area) is an administrative unit created by the Government for the delivery of services. Depending upon the number of VDC/Municipalities there could be 9 to 17 Ilakas affiliated with one District Development Committee.

75% of the collected land tax goes to the VDC treasury and the remaining 25% to the respective District Development Committee (DDC). (HMG/N: 2055, 21-24) Apart from this, the VDC can generate income by imposing different taxes, and fees for applications or recommendations. Major expenses incurred by the VDC during a recent fiscal year--1998-99 (2055/56 BS)--were for drinking water, road gravelling, and construction of the VDC office, as well as school construction, repair and fencing. The VDC is also providing salaries to four teachers working in the schools of Salaura, Padampur, Birauli and Baibang.

- *Health Post (Health Care Centre)*

In order to provide health services to the inhabitants, a Health Post was established in Hekuli in 1974. It has been up-graded as an *Ilaka (regional) Health Centre* since 1982. This Centre provides both treatment and preventive services to the patients. During the field visit there were four people, i.e., the Health Assistant, Auxiliary Health Worker, and two other office secretaries working at the Centre. Apart from curative services, it also offers services regarding family planning, immunisation, children and mothers' health, and also promotes a sense of health, hygiene and sanitation. The Health Centre sometimes works in co-operation with NGO(s) such as BASE, especially for the distribution of contraceptives and facilitating immunisation programs from the BASE-run health clinic based at Rawat Gaun in Hekuli.

- *Local Schools*

Hekuli VDC has six schools, of which one is a secondary school and the rest are primary schools. Of the total schools located in Hekuli VDC, only one is run privately, i.e., an English (!) boarding school. Students enrolled in these schools during recent years are given in the following Table.

**Table 19:** Description of school enrolment status in Hekuli Village in Nepal

Name of School	Teachers	Girls	Boys	Total Students
Birendra Secondary School, Hekuli – Ward no. 8, Hekuli (Est. 1970)	21	246	389	635
Ratri Primary School, Hekuli – Ward no. 1, Baibang	5	48	32	80
Sarsoti Primary School Hekuli – Ward no. 2, Padampur	5	103	123	226
Laxmi Narayan Primary School, Hekuli – Ward no. 5, Salaura	5	85	105	190
Sarsoti Primary School Hekuli – Ward no. 7, Mirauli	5	93	152	254
English Boarding School, Hekuli – Ward no. 8, Hekuli *	2	7	9	16
<b>Total</b>	<b>43</b>	<b>591 (42%)</b>	<b>810 (58%)</b>	<b>1401 (100)</b>

\* the school was recently established by a local entrepreneur.

**Source:** District Education Office, Dang/Ghorahi (1990/2000) and from the concerned school office records.

- *Post Office*

An Atirikta (unit level) Post Office was created in Hekuli in 1973 as part of the government postal service. The Post Office was upgraded to Chhoti (higher level) post office in 1982 to cover the Ilaka level services. It plays an important role in local communication. Normally the Post Office offers home delivery services to the villagers.

- *Agriculture Service Sub-Centre (ASC)*

A Government-run Agriculture Service Centre was established in Hekuli in 1982 which extends its services to Hekuli and also to the neighbouring Shree Gaun, Dhanauri, and Golkakuri VDCs. The Centre is equipped with a Junior Technician and an office assistant to deliver technical services and other support to the farmers in these areas. Generally the office provides agricultural extension services. The centre distributes improved seeds and fruit saplings at subsidised prices. It also provides information regarding production technology, insecticides/pesticides and fertiliser utilisation to farmers.

- *Veterinary Service Sub-Centre (VSC)*

The Government Veterinary office was established in Hekuli in 1982. In addition to Hekuli, this office also provides services to other adjacent VDCs. Usually it provides treatment, counselling, technical support, training, etc., i.e., animal husbandry services. The office also assists the villagers in getting hybrid domesticated animals

such as cows, buffaloes, pigs, goats, etc. During 1999-2000 sheep farming and pig farming were two special programmes launched under this programme in Hekuli.

- *Co-operative Office*

The Co-operative (Sajha) is a nation-wide endeavour of the Government of Nepal. As a public agency, the co-operative comes under Government rules and regulations. An office of the Sajha Co-operatives was established in Hekuli in 1973. Sajha provides mainly chemical fertiliser and also improved seeds (e.g. wheat, rice, vegetable, etc.) to the farmers. The Co-operative works with other agricultural extension offices in the VDC.

- *Ilaka Police Station, Hekuli*

The Ilaka Police Station was created in Hekuli in 1985. The police station is an integral part of the normal police service and national security system of the country. The major duties and responsibilities of the station are keeping peace and order in the society. The station also takes care of the Ilaka, i.e., the adjacent VDCs. A small group of police under the command of an inspector is deputed to the station to perform their duties in the area.

- *Rural Development Bank (RDB)*

The Rural Development Bank (RDB) is a village-based financial institution created to uplift the economic life of the rural women in Nepal. Out of the six branches of RDB in Dang, one was established in Hekuli VDC in 1996. The interested women can form a group for getting financial services from the RDB. The bank provides loans to needy women who are group members to support their self-help initiatives. The rate of interest is only 10%. Compared to the local NGO practice or local money-lenders (who charge more than 25%), the interest rate is rather low and reasonable.

- *Forest Users' Group (FUG)*

A Forest Users' Group (FUG) is formed by the local villagers and the villagers work on a voluntary basis. The Government Forest Office maintains these groups, i.e., in practice, the District Forest Office makes an arrangement to hand over the piece of forest to such FUGs. These FUGs are responsible for plantation, conservation and utilisation of the forest resources. There are over 8 000 FUGs all over the country, of which Hekuli VDC alone comprises some nine FUGs of this kind. Two of these FUGs are women's groups. (DFO Dang 1998) Almost all the families of Hekuli have been getting benefits from these forests managed and maintained by their own community.

## **Private institutions**

### *- Telephone Service (PCO Service)*

In recent years the government has been giving its prime focus to establishing at least one telephone service for all VDCs. This is being implemented by establishing Public Telephone Offices (PCO) in the VDCs to facilitate rural communication. (National Planning Commission 1998, 586-587) Upon agreement with the VDC, one private person residing in the concerned VDC can take responsibility for the management of PCO service on a commercial basis. The VDC can decide the person to operate the telephone service.

According to this provision, a PCO line was installed in Hekuli in 1996. Since then, the people of Hekuli could be in contact with other parts of the country. People in Hekuli are getting this service during office hours.

### *- Private Shops (Grocery)*

The people of Hekuli normally fulfil their daily consumption of goods from the private shops established by local entrepreneurs in the village or areas nearby. Such shops in Hekuli have been created to generate non-agricultural income, to use idle labour, also supported by loans from the local RDB. These private shops are scattered in different settlements of Hekuli such as Baibang, Padumpur, Rawat Gaun, Dandachi, Laubasta, Mirauli, Kumalgarhi, Chakhora, Hekuli, Sukadeva, and Salaura. When people cannot fulfil their needs from these shops, then they turn to the bigger markets like Tulsipur Bazaar or even to Ghorahi Bazaar. The farmers also sell their products to these local shops as well as to the shops in Tulsipur and Ghorahi.

### *- Private bus and other transport services*

The Hekuli VDC is connected by gravelled road with the Tulsipur–Purandhara road. Tulsipur Municipality is the biggest market centre nearest to Hekuli. There are regular bus services from Tulsipur to other parts of the country (e.g., to and from Kathmandu, Pokhara, Nepalgunj, Dangarhi, Mahendranagar, Salyan, etc.) and also within the Dang district. Though the distance between Tulsipur and Hekuli is only some 9 kilometres, it takes around an hour by public bus or taxies. Apart from the regular bus service, one can hire privately owned Jeeps which requires ‘tough bargaining’ to settle the fare. People from Hekuli regularly use the bus services. Apart from the existing bus service, tractors and lorries are other means of transportation for carrying goods and also transporting people. With these transportation facilities, people can easily sell their products to bigger markets, therefore getting easy access to the market.

## Non-Governmental Organisations

The growth of NGOs in Nepal has increased tremendously since 1990. Till then, there were only five local NGOs working in Dang district. The number increased dramatically to 145 by the year 1995. In the Hekuli VDC alone, five NGOs have been working – or at least created their offices in Hekuli—since 1991: Backward Society Education (BASE); Social Upgrade in Progress of Education Region (SUPER); Chandra Smriti Youth Club (CSYC); Janashiksha Social Association; and the Chure Mahabharat Sewa Samaj. The growth of NGOs in Dang district and the Hekuli VDC is outlined in the following section.

**Table 20:** The annual growth of NGOs in Dang District and Hekuli Village in Nepal

Year	In Dang District	In Hekuli VDC
Up to 1989	5	-
1990	6	-
1991	10	2
1992	10	1
1993	21	-
1994	45	1
1995	53	1
<b>Total</b>	<b>145</b>	<b>5</b>

**Source:** Dang DDC (1995-96, 59-62): District Profile of Dang. Dang/Ghorahi: Dang DDC

### - *Backward Society Education (BASE)*

Backward Society Education (BASE) is an NGO working mainly with the Tharu community of Western Tarai in Nepal. The organisation was officially created and affiliated with the Social Welfare Council (SWC)<sup>5</sup> in 1991. BASE was created with the active leadership of Mr. Dilli Bahadur Chaudhari – a Tharu resident of Tulsipur Municipality in Dang district. However, the primary foundation of BASE dates back to the establishment of *Dumrigaun Sangathan* in early 1985, again as the *Dumrigaun Mishrit Charpate Club* in late 1985, and again as *Shramik Mukti Sangathan* in 1988. In 1991 the organisation was turned into the present *BASE*.

The programmes, especially the non-formal education (NFE), started with the Tharu community soon after the establishment of BASE. Gradually the organisation expanded its activities in various programmes related to education, i.e., Kamaiya

<sup>5</sup> SWC is the Government organ affiliated with the Ministry of Women and Social Welfare. SWC co-ordinates and regulates the local and international NGOs working in Nepal.



(bonded labour) Support, Women Development and Income Generation, Health, and Institutional Development. Presently BASE activities cover some 671 villages of 73 VDCs in six districts in Western Terai, including a hill district. The districts covered by BASE activities are Dang, Banke, Bardia, Kailali, Kanchanpur and Salyan (Chaudhari 1998). The total number of membership affiliated with BASE is 137 272, of which 77 105 are male and 60 161 female (Chaudhari 1998).

BASE has been getting financial and technical supports to run its programmes from different official donor agencies and international donor NGOs abroad. The major donors include: DANIDA, Save the Children Federation-USA, MS-Nepal, UNDP, The Asia Foundation, PLAN International. (Chaudhari 1998).

- *Other NGOs*

Social Up-grade in Progress of Education Region (SUPER) was established in 1992 for the social advancement of the local society in Hekuli. This organisation has also been working for creating awareness, conducting literacy classes, forming women's groups, and mobilising local resources, especially savings programmes for the villagers. SUPER has been working in partnership with the District Education Office and with the NGO Coalition Office in Dang.

Among the five registered NGOs in the Hekuli VDC, three of them were found to be non-functional during the study period. The other three non-functional NGOs were: Chandra Smriti Youth Club (CSYC), established in 1991; Chure Mahabharat Sewa Samaj (CMSS), established in 1994; and the Janashiksha Social Association (JSA), established in 1995. The CMSS was supposed to be involved in environmental conservation, while the others, CSYC and JSA, were created for social work.

### **Traditional institutions and services**

Throughout the centuries, the common people have developed a system of co-operation among each other to share sorrow and joy on various occasions. This system of co-operation is traditionally known as *Marda and Parda*. This traditional service includes co-operation in: weddings; religious festivals; exchange of agricultural labour; construction and repair of local infrastructure; and also in times of sickness and funeral ceremonies. Voluntary delivery of services to the neighbours and the society can easily be found in rural communities.

*Guruba* and *Matam* are the agents of the traditional social institution in Hekuli VDC. The Guruba extends treatment services while the Matam co-ordinates and mobilises the local people for local development initiatives, including litigation and social justice.

- *Guruba*

The Guruba is the most trusted local medical practitioner in Hekuli VDC. Before introducing modern health care services, the Guruba was the only reliable agent for common treatments. Gurubas still play an important role in treating the local people. Even now, when people become sick or sometimes bitten by snakes, generally they turn to these Gurubas for treatment. Dependency on Gurubas for treatment of humans and also of domesticated animals is a very common phenomenon in everyday life in Hekuli. There are Ghar Guruba and Deshbandi Guruba. The Ghar Gurubas deliver home services and the Deshbandi Gurubas serve one area with their medical and religious service skills. Those people who get home services from the Guruba, often take the Gurubas tika<sup>6</sup> during the Dasain (a Hindu religious) festival. People voluntarily provide money or in-kind payments for services received from the Gurubas, though they never ask for payment from their clients. Altogether there are some 30 Gurubas providing services in Hekuli.

- *Matam (Aguwa)*

Traditionally in Nepal, people have lived in villages in a clustered way on the basis of caste, culture, and religious homogeneity. Nowadays people have also started living in communities with mixed castes, cultures, and religions. Historically, people on the Nepali plain (Tarai) were led by the *Zamindars and Chaudharis* and people in the hills were led by the tax collectors, i.e., *Jimuwals and Mukhiyas* or money lenders. Modern village leaders are VDC representatives, though the teachers, social workers, etc., can also play a significant role in rural life.

However, till now, the leading role of the community in Hekuli, particularly in the Tharu community, has been played by the *Matam*, who is also called *Agawa* or, literally, the leader. The villagers elect the Matam annually at the time of *Maghi*, a festival in the Nepali calendar. A Matam is an individual person and works as an institution. He works on the basis of trust and understanding and co-ordinates the local communities. He also represents the community on different occasions. This system has existed from generation to generation among the Tharu community. The Matam is also the leader of an informal village committee: co-ordinating and mobilising local people and resources; working for creating and maintaining rural infrastructures; organising social functions; and protecting the forest. Sometimes they also need to solve the problem of local conflicts. To a great extent, bringing social peace and order, including justice, is also the responsibility of the Matam. The role of such Matams has great importance in Hekuli, where the majority of the people are Tharu. There are around 20 Matams in the Hekuli VDC.

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<sup>6</sup> A colourful spot on the forehead as part of the blessing from religious priests.

## **An analysis of BASE projects compared to public and private agencies in Hekuli Village**

The focus of this section is on BASE, as it is the only NGO found managing development initiatives in Hekuli. Another NGO, SUPER, has very few activities in the village and the evidence of its work compared to BASE were not enough for this study. The head office and the training centre of BASE are located at Chakhoragaun in the Hekuli VDC. However, all functional business is run from their programme office located in Tulsipur Municipality. In the Hekuli VDC there is also an area office, a hostel for rehabilitating Kamaiya children, and BASE health clinics, located in the Rautgaun and Chakhoragaun neighbourhoods. According to a BASE official source, the BASE Village Committee, with the help of the BASE area office, provides the following services in the Hekuli VDC:

- Services in education, i.e., adult literacy and advanced classes;
  - Health service delivery, i.e., providing contraceptives, organising immunisation camps, creating health awareness among the villagers;
  - Improved seed distribution, i.e., distributing vegetable seeds;
  - Construction of wells for safe drinking water; and
  - Providing feeding and lodging facilities to some 15 Kamaiya children.
- 
- *Education and awareness building*

One of the primary objectives of the BASE programme is educating illiterate people, particularly the Tharus. The ongoing educational programmes include: basic and advanced literacy classes (ALC); the creation of a village learning centre; support for higher level studies; a school scholarship; girls' support (scholarships); skill development (technical education); curricula development (on legal and gender issues and also for literacy classes in the Tharu language), etc. Since 1998, BASE has published its own curriculum for adult literacy, especially for the Tharus. The new curriculum has been modified from the government curriculum.

In the Hekuli VDC the ongoing educational activities of BASE are: delivering adult literacy classes and alternative primary education<sup>7</sup> for children. The literacy classes cover both male and female adults. These classes are also taken as an effective mechanism to deliver the message of local development, protection of forests, maintaining health and hygiene, and creating employment opportunities, etc.

BASE provides education services in their own centre – they do not have any contact or co-operation with the District Education Office, Dang or with any other

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<sup>7</sup> BASE arranges classes for the children in the village, although they are enrolled in the formal schooling system. The fact is that these students cannot attend classes during regular school hours, since they have to work to support their families. As a result, these students attend the BASE-arranged alternative classes and appear at the formal exams conducted by the schools.

NGOs. Though there are various institutions such as public schools for providing formal education, NGOs deliver such non-formal education. The co-ordination among these institutions is severely lacking. This makes for the overlapping and duplication of work on the one hand and wastage of resources on the other hand.

- *Saving scheme*

BASE does not provide any loans. They encourage and motivate local women to generate their own savings (around NPR 10 a month). The BASE Village Committee manages this loan operation. If the villagers want to withdraw their share of savings or take the interest from their savings, they cannot do it. In practice, if village members take loans from their own deposits, they need to pay 25% interest, which is more than 2.5 times higher than the local RDB's interest rate. This practice is probably good for the financial sustainability of the poor – however, it is not clear who decides about the practice of savings and providing loans to the clients. Some of the members seemed quite dissatisfied with this loan operation system of the BASE Village Committee. As BASE does not provide any development support in addition to the amount of savings, the whole development process is quite slow and becomes questionable: does BASE want any change or do they only want to multiply the amount of savings!? The misuse of money or wrong project investment would create problems of accountability and responsibility. So far, the BASE Village Committee does not have any independent legal status for operating this loan business.

BASE does not have any co-operation with any other financial institution like RDB, which apparently can fulfil the financial needs of the people. Nothing has been shared between these financial institutions, working for the similar cause of the poor.

- *Delivery of health services*

The standard of health and hygiene is very poor in the Hekuli VDC. Therefore, any kind of support in terms of health and hygiene is appreciated in the village. BASE's health support with co-operation from the Government-run local health centre deserves appreciation. The distribution of family planning items; arranging immunisation camps; creating health awareness regarding AIDS, sanitation, diseases, primary health care, etc. is good work. However, the local diseases, e.g., diarrhoea, dysentery, worms, fever, gastric ailments, etc. are due to poor sanitation and a lack of proper health knowledge. The management of village roads, drainage, way of living, etc. together give a picture of unhygienic living in Hekuli. Very little effort has so far been made to combat this problem. The excessive use of Raksi (home-made alcoholic drinks) remains a health hazard to the male population of Hekuli.

- *Agriculture development and improved seed distribution*

Hekuli has an agro-based economy and almost all of the village labour force is connected with and dependent on agriculture. Irrigation, improved seeds, fertiliser, and crop technology are the major inputs for improving agricultural production. Apart from these, the marketability of products is an equally important dimension of agricultural development in any village. Improved seed distribution by BASE is a positive step. The availability of other important inputs is also equally important, which is lacking in the BASE activities. However, by ignoring the other factors, the improved seeds alone cannot be very productive. The market value and availability of these seeds are not high – thus they remain within the limit of the buying capacity of the poor. Moreover, the Government co-operative Sajha, and Agriculture Service Sub-centre, has already been providing improved seeds to the farmers in Hekuli much earlier than when BASE started its operation in the village. Local leading farmers also could provide such improved seeds. The major problem with the knowledge of availability of improved seeds or the purchasing power of the BASE agricultural clientele group is not clear. Production technology and marketing of the products were also not given importance, as seed distribution alone could not bring much change.

- *Construction of wells for safe drinking water*

Water management is poor in Dang district, particularly in the villages like Hekuli. There is a problem of potable water in Hekuli. In the recent past, people used the water from Kholas (streams) directly. The VDC has provided some public wells to the villagers. BASE also helped the villagers to construct some 15 wells in Rautgaun, Chakhoragaun and in Hekuli. Providing wells is a positive step. However, the management of the wells, e.g., cleaning, covering, repairing the wells is also equally important. In the field evaluation the wells were found uncovered and untidy. Children were found playing with water nearby the uncovered wells – this could be extremely risky.

- *Rehabilitation hostel facilities*

One of the socio-economic problems of western Tarai is ‘bondage labour’, a system locally known as Kamaiya. Due to the poverty, illiteracy, etc. and exploitation orientation of Zamindars, the central governmental programmes alone could not bring these people into the mainstream of development. BASE is working mainly for Tharus and has given priority to uplifting the socio-economic status of these people. The BASE programme covers releasing these bonded labourers and making them free from the Zamindars and creating awareness among them. The other programme is rehabilitating the Kamaiya children by providing shelters and education. A hostel has been constructed in Chakhora in Hekuli, where 15 children have been

accommodated. The BASE hostel approach of rehabilitation of these Kamaiya children is naturally a reasonable response in solving Kamaiya problems in the area, though very few children have been provided these facilities. BASE probably did not think of any other appropriate alternatives for these Kamaiyas' livelihood. External funding is the main source of resources to run the BASE programme, such as the hostel programme for Kamaiya children. If external funding stops, can BASE manage and run the hostel operation? With its present economic arrangement and status, BASE would probably have difficulties in replying to these questions.

### **The sustainability of BASE initiatives: an analysis of key issues**

After considering the socio-economic condition in Hekuli, it could be said that: the benefit people receive from BASE seemed to be quite appropriate, at least it has relevance to the needs of the poor. Most of the programmes BASE runs in the Hekuli VDC might have an impact on the lives of the people with a degree of benefits. Girls' education and awareness creation have a positive impact and people benefit from these programmes. However, most of the BASE programmes have already been practised by several other organisations in Hekuli – thus the BASE programme overlaps with other organisations and a lack of co-operation and co-ordination exists with other agencies.

Very little of BASE's development approach is innovative, cost-effective and flexible – however, the participation of the people, especially from the Tharu community, exists with good spirit. The level of participation and flexibility existing in BASE are only in the given environment, e.g., decided by the BASE leaders and practised by the target groups. BASE is run by an executive committee, representing the limited number of general members in the Board and often they are not from the target group.

BASE has management problems (Backer 1998, 4-5). But this has not made BASE less ambitious in its programmes. The management capacity largely depends on the policy makers of BASE – at the central level. Thus the problem of management is reflected in the programmes in the Hekuli VDC. As a result, the organisation remains unsustainable in its managerial practices – also due to the fact that the external and internal linkages of BASE programmes are not properly managed. With its present professional knowledge and management capacity, BASE may gradually fail to deliver benefits to the poor if it involves itself in numerous sectors of development and in different regions – perhaps also weakening BASE and its institutions.

BASE was not found to follow any specific timetable in implementing its development programmes. Donors try to encourage sustainability in the BASE projects – but BASE finds it too late to encourage them in sustaining their activities, as the phase-out period was scheduled for the end of 2000. (Chaudhari H. 1999)

The District Development Committee (DDC) in Dang provided the insight that BASE has mostly been developing its activities without consultation and co-operation with them. Therefore, there is no chance that the DDC or the Government would undertake BASE activities and provide the financial, technical and managerial resources required to sustain BASE programmes. It should also be mentioned that BASE limits its activities mainly to Tharu communities and the Government or the DDC is apparently working with people from every walk of life. Undertaking BASE activities, from the Government perspective, and thus providing services only to the Tharus, could not be justified. Building effective partnership with government institutions would have a long sustained impact on BASE activities in the VDC.

Recent statistics show that 99.97% of the total annual funding of BASE comes from its six external donor agencies (Chaudhari 1998, 14). Therefore, it is also not likely that the organisation of BASE would be sustainable with the present spirit if foreign money stops. Extreme dependency on and availability of foreign aid also keeps the BASE leaders' attention away from mobilising local resources. The present activities such as the running of adult literacy classes, as well as other clinical services and the running of the rehabilitation hostel, are not run with local resources.

Not all 'rural poor' in the village are considered equally in BASE programmes, rather their programmes are mainly designed for Tharus. In practice, a huge number of non-Tharus also live in the Hekuli VDC and have a similar socio-economic status to the Tharus. BASE has a better stronghold in the Hekuli VDC than in other VDCs in which it works. (Chaudhari 1999) Economic participation of the clients in the savings programme is good, but not enough to make the programmes sustainable, if external donation stops. Other programmes, i.e., education, awareness, health, etc. are mostly dependent on foreign aid. No practical initiative has been taken to improve the economic condition of the poor so that they could have meaningful participation – rather projects are mostly attending to issues which have a high service cost. These projects are also not giving much opportunity to the villagers for meaningful participation (e.g., in decision-making, planning, etc.), rather limiting participation to receiving services from the programmes. Improved initiatives to strengthen the villagers' income would give BASE a possibility to sustain its activities through its clients.

Local fund-raising initiatives are absent and initiatives towards local resource mobilisation were not made by BASE. BASE has been dependent on foreign funds since 1991. The organisation had a good possibility to start an income-generating project with the assistance from the donor and co-operation with its clients in the village. Income-generating activities could give the poor a chance to improve their income and BASE would also be able to sustain their programmes in Hekuli. However, the prospects of charging fees for the provided services do not look bright – although some of the villagers have the capacity to pay for the services they receive from BASE.

People in Hekuli are not in a position to select the technologies they need. This is due to their traditional approach towards life and the process of production they

have practised over the centuries. Thus, in future BASE should not expect much in technology selection from the villagers – rather they could encourage the existing technologies and new technologies which would have sustainable use by the villagers and a sustainable effect on the local progress.

In Hekuli, the participation of women in development is on the increase – although they are not locally regarded as the mainstream of economic life. However, during the field study, the Tharu women were found to be very active in agricultural production. BASE could ensure further women's participation in their projects. Compared to women, the comfort-loving and self-satisfying nature of some of the Tharu men is an obstacle to the economic progress of the village. Excessive use of alcohol (raksi) also keeps the men away from participating in the economic progress of the village.

The practice of providing lodging and food for Kamaiya children might build a culture of dependency in the village. These children could have a better and planned life. Taking care only of a few also makes others unhappy – who would need the support as well. BASE's present approach in providing food and lodging is a completely unsustainable approach.

Finally, services in education, delivery of health services, improved seed distribution, construction of wells, and providing food and lodging facilities to some 18 Kamaiya children in Hekuli by BASE deserve appreciation. However, most of these programmes run by BASE require high service costs and an effective institutional arrangement. Several of these kinds of programmes already existed in the village before BASE started its programme in Hekuli. At present the villagers also depend on several public, private, and non-profit institutions for their everyday affairs. These agencies have also been playing a significant role in their lives over the decades. Through the passage of time, these public, private and traditional institutions remained sustainable. Therefore, BASE could have a co-ordinated approach with these agencies working in the area. It would avoid problems of overlapping with other agencies and would help BASE to avoid high service costs. Co-operation with other agencies would also provide a possibility of sustaining BASE programmes with local assistance, especially from Government sources.



**Table 21:** The sustainability of NGO initiatives in Hekuli Village in Nepal: a glimpse

<b>NGOs→ Factors↓</b>	<b>BASE</b>	<b>OTHER NGOs</b>
Government policy	xx	xxx
Donor commitment	xxx	x
Managerial capacity	xx	x
<b>Other Factors:</b>		
Organisation	xx	x
Local participation	xxx	x
Financial	xx	x
Technological	x	x
Socio-cultural	xxx	xx
Resource mobilisation	x	x
Environment & ecology	xx	xx
External factors	xxx	x

(x = not good .....xxxxx = very good)

**Conclusions: peoples’ views on the public, private, non-profit and traditional institutions**

The average Tharu people do not belong to the 20 per cent of the Brahmin, Chetri and Newar elite castes or classes in the country. BASE is a successful example showing a backward ethnic group in Nepal can also run development initiatives with their own leadership. However, the institutional landscape of the Hekuli VDC is wide. The present and past public, private, non-profit, and traditional institutions in the VDC have an impact on the everyday life of the villagers. It was found in the PRA exercise (Hossain & Dhakal 2000) with four different groups of Tharu and non-Tharu male and female groups, that people have different views on different institutions.

Among Tharu women, BASE has institutional importance, since they receive education, drinking water, health care, and other facilities from the organisation. Tharu women also recognise the importance of local formal schools, the VDC, health centre, etc. institutions, as they have been receiving the services for their livelihood. However, Tharu males recognise the traditional Guruba (faith healer) as the most important institution in their lives. The reason for this trust is the free and effective health care they have received from the Gurubas over the years. Especially the healing services they get from Gurubas for snake bites have created trust among the villagers. After the traditional institutions, they also value other institutions like

BASE for education, drinking water and agricultural training. For health services, litigation and justice, and children's education they also recognise the importance of the local Government offices.

In another PRA session with a mixture of Tharu and non-Tharu (42% of Hekuli population) male groups, it was found that the people regard the local school as having high importance because of the education and possibilities they provide to the village children. These groups of people also regard as important the Community Forestry Office, the VDC, the peoples' traditional institutions, e.g., the Matawa and Guraba, because of their services for drinking water, road construction, nature protection, health-care, entertainment services, etc. These groups of people rank BASE very low. According to them, in practice, compared to other institutions in the village, BASE provides very few services to the common people – only building up awareness among the villagers (for detailed PRA results see Hossain & Dhakal 2000).

However, all groups shared the opinion that in the Hekuli VDC the literacy rate has improved. The enrolment of girls and boys in local schools has increased over the years. The number of bonded labourers (Kamaiya) has been reduced in the region. Village roads have been maintained. More shops have been established in the village. The number of tube wells has been increased significantly. Peoples' participation has been ensured in community forestry by creating Forest Users' Groups. A poultry farm has also been established in the area. All these positive achievements were possible with the efforts the local public, private, non-profit and traditional organisations have made over the years. Of course, BASE is also one among several such institutions – but not necessarily the leading one in claiming the comparative advantage over other organisations. However, the sustainability of BASE is uncertain compared to other institutions in the region – since BASE, as an NGO, is completely dependent on foreign aid.

#### **5.4: CASE STUDY IV: NEPAL**

### **Sangita Tamang and NGOs: the Relevance and Sustainability of Development Initiatives in Nepal**

Including the various indigenous voluntary groups, it is estimated that over 85 thousand non-profit organisations exist and operate in the South Asian countries (Haq 1997, 93), of which more than 25 thousand are believed to be in Nepal. Certainly not all of these institutions are development NGOs and not all are linked to the international aid system. Apart from this, some 90 international development NGOs have also been working in the country. Over the years, the governments in Nepal had to adjust the country to the trend of the rise of NGOs into the international aid system and had to accommodate this special sector locally as the partner of development in the country. The whole impetus came externally and is directly linked to the aid flow to the country. Thus, during recent years, the government has been looking for co-operation from NGOs. Now the government seeks co-operation from NGOs in community and rural development, urban slum improvement, the empowerment of women, improvement of the environment, delivery of public health care, irrigation, health education like AIDS and drug abuse, youth activities and the development of moral values (National Planning Commission 1992, 569-572; Rademacher & Tamang 1995, 53-54).

#### **The study**

The aim of the study was to empirically assess and analyse the relevance and sustainability of NGO-led development initiatives in Nepal. The focus of the study was to examine the context of NGO-led development intervention from the perspective of NGOs' potential beneficiaries. In order to find the view of the NGOs' beneficiaries, the study was done by employing an intensive interview method with an NGO beneficiary from Markhu Village. For practical reasons a pseudonym '*Sangita Tamang*' has been given to the interviewed person. One of Sangita's daughters has also been given a pseudonym '*Renuka Tamang*'. These pseudonyms are used hereafter in presenting the results of the study.

Sangita Tamang is a woman living in Markhu village belonging to the Tamang ethnic group. Tamang is one of the largest ethnic groups living in the central hill districts in Nepal. She is the beneficiary and in the target group of an international NGO called Plan International active in her village in co-operation with other local NGOs. Based on the findings of the interview with her, thematic interviews have also been made to extend this study to the local personnel of the concerned NGOs, who were also interviewed on the spot to assess their development interventions and to

verify the facts and the research findings. The NGO activities in the village were closely observed during July 27 and 28 in 1998. The fieldwork was conducted by Farhad Hossain, University of Tampere, and by Tek Nath Dhakal, Tribhuvan University, with assistance from Balmukanda Mahat from Kathmandu. The study is also a follow-up study of the 'Institutional Analysis of Markhu VDC with Emphasis on NGOs (Dhakal & Ulvila 1999)', which was prepared by conducting a thorough Participatory Rural Appraisal (PRA) exercise before the present study was done.

This section contains a discussion of Markhu village, Sangita Tamang and her family. In order to assess the relevance and sustainability of NGO activities, the study presents an in-depth analysis of the socio-economic conditions of the Markhu VDC, Sangita Tamang and her family, and the NGOs working in the VDC. A detailed presentation and analysis on the NGOs and other local development institutions in Markhu has been made. Sangita Tamang and her relation to NGOs have been analysed. Finally, an empirical analysis has been made on the relevance and sustainability of NGOs in Markhu village.

### **Background information on Markhu village**

Markhu is located in the northern part of the Makwanpur District. The Markhu VDC is one of 43 VDCs in Makwanpur district. The neighboring VDCs are Kulekhani and Fakhel to the East, Chitlang, Daman to the West, Bajrabarahi and Chitlang to the North and Bhimbedi and Kulekhani to the South. The area has a mountainous terrain, ranging from 1 500 to 2 300 metres in height. Markhu is divided North-South into two parts by the Indrasarowar reservoir of the Kulekhani hydropower station. At the end of the monsoon season the lake extends to the length of some seven kilometres.

The village is located on the historical road from Kathmandu to the Terai plain and India, which was used even before the unification of the country. Before the construction of the Tribhuvan Highway in the 1950's, the King, Prime Ministers, businessmen, and the common people used this road. Some old people of Markhu still remember the construction of a rest house in Markhu during Chandra Shamsher Rana's (Prime Minister) period intended for use by the King, Prime Minister or high-level government officials.

Two institutions - a primary school and a health-post - were established in the 1960s at Markhu Bazaar. This brought the school and health centre closer to the local people. An important change for the people of Markhu was the construction of the Kulekhani Hydro Project in the early 1970s. The construction of a dirt road from Tribhuvan Highway to the Kulekhani Project and the flow of vehicles made the people excited. Many people got jobs as construction labourers (at that time a labourer used to get NPR 1.25/- a day). The project submerged the paddy fields of numerous families, many people either migrated to Hetauda or some other places or shifted to other locations near Markhu with more marginal land. People in Markhu were getting new experiences (including fearful ones too) when they had to use a boat for visiting another village on the opposite side of the Indrasarobar lake. The lake has also been providing income opportunities for the fishing community Saknelai. However, common people in the village could not enjoy such opportunities. Following the completion of this project, many other offices came to Markhu, such as the Soil Conservation Office, Fish Development Centre, Bank, and Electricity Office. At a later stage, in 1995, Plan International and its co-operating NGOs entered into the development scenario of the village.

Dhakal and Ulvila 1999, 5-6

## **Sangita Tamang and her family**

### - *The family*

Sangita Tamang is 51 years old. Her ethnic identity is Tamang. She was born and raised and still lives in Dalsing Pakha village of the Markhu VDC. Like many other families, her family has already lived in the village for many generations.

Sangita and her family live a collective family life in which every individual belongs to the family. Living in a collective family is the usual way to live in Markhu's local society. Sangita's family has 10 members. Her father-in-law, 67 years old, is the senior-most member of the family. Other family members include her husband, three sons and two daughters, including a daughter-in-law (the first son's wife) and their daughter, Sangita's granddaughter.

### - *The village and its people*

The VDC is located in the northern part of the Makwanpur District in the Central Development Region of Nepal, which is one of the 43 VDCs in Makwanpur District. The neighbouring VDCs are Kulekhani and Fakhel to the East, Chitlang and Daman to the West, Bajrabarahi and Chitlang to the North, and Bhimbedi and Kulekhani to the South.

The composition of the total population in the Markhu VDC was around 3 613 in 1991, of which Tamangs were the dominant ethnic group with some 50%. The other groups are the Newar (22%); Bahun/Chhetri (20 %); Magar (7%); and others (1%). (CBS 1991)

### - *Economy*

The family members live in a single-storied thatched roof house. The domesticated animals are kept in the ground floor of the same house. The family has a little less than a hectare of dry land, six goats, four cows, six chickens and some pigeons, and a dog. This agro-based family produces makai (corn), millet, beans, mustard seeds, sugarcane, and other local vegetables, e.g., phapar, brinjal, tomato, vindi, pumpkin, pinalu, etc. Some few fruit trees also provide the family fruits in the appropriate season. All these products can meet the needs of the family for six months of each calendar year and the rest they supplement by selling their labour in the village and in Kathmandu, over the belt of a long mountainous way from the village. This is the economic life of the family and the usual and standard economic life for most of the villagers.

- *Culture*

The events of this family are full of colourful Tamang culture and rituals, e.g., festivals like *Dashain*, *Tihar*, *Maghesakranti*, and *Janaipurnima* and other rituals in marriage, death (funerals), etc. Tamangs like Sangita basically follow Buddhism; however, both Hindu and Buddhist religious and cultural practices are common in many cases and difficult to distinguish among the different community groups of Markhu.

- *Education*

The literacy level of this Tamang family is as average as any other family in the surrounding villages. Sangita Tamang's second and third sons completed the 3<sup>rd</sup> grade of primary school and had to stop. Their first daughter also had to stop in 3<sup>rd</sup> grade and the youngest daughter completed the 3<sup>rd</sup> grade of primary school. The rest of them are illiterate.

- *Water and sanitation*

The family has access to safe drinking water, i.e., modern polythene piped water facilities some 100 metres far from the home, installed with the support of the VDC two years previously. Like other Tamang families in the village, the family members do not use modern toilets, but started constructing a semi-modern toilet since April 1998 with the assurance of getting around NPR 5 000 from Plan International, the largest NGO in the village.

- *Health care*

For medical services, Sangita, her family members, and other villagers first contact the local faith healers or the indigenous herbal medical practitioner called *Dhami/Jhakris*. In case they fail, the family turns to higher faith healers or indigenous herbal medical practitioners called *Thulo Janne*. In case of serious illnesses, if the faith healers fail to treat the patient, they turn to the local government health post located at Markhu Bazaar.

- *Social status*

Since 1998 Sangita has been the selected Chairperson of a women's savings group association connected to Plan International. She is also a Member of the Mool Samiti, the co-ordinating committee of some 20 women's savings groups. However, none of her family members and relatives holds any political or administrative post.

- *The problem of the family*

The main problem of Sangita's family is that they have borrowed a sum of NPR 22 000 from a local money lender to construct their house with 36% annual interest rate. During the study done in mid-1998, she was not able to repay the loan. The house has a thatched roof; Sangita is afraid that, due to a leakage in the roof, the wall of the house could break down. The farm production is not sufficient for the whole year and there is no other source of regular income, which often poses a problem. Some family rituals could not be performed due to this backward situation of poverty. For example, the sons were not getting Chhewar, though this should have been performed before the age of 16. The head of the family is selling his labour in Kathmandu valley and regularly does not come home. This shows a lack of harmony in her family life. The family is far from modern communication devices like television, newspapers, etc. On the other hand, it was found to be very knowledgeable about local culture and rituals.

**The local development institutions in Markhu**

- *Village Development Committee*

The Village Development Committee (VDC) is an integral part of the Nepali local government system and the grassroots political and administrative organisation for development of a particular area. The Markhu VDC is one of 4 913 VDCs scattered all over the Kingdom. The Local Self-government Act 2055 and Regulation 2056 allow the VDCs to work as grassroots development institutions at the local level (HMG/N: 1998 & 1999 / 2055 & 2056). The VDC Executive body is an 11-member elected body comprised of a chairman, vice-chairman and nine ward members of the respective VDC. A governmental employee works as the VDC secretary. The major source of the VDC's income is NPR 500 000 as an annual block grant provided by the central government. The VDC also provides social security grants to senior citizens over 75 years of age, helpless widows over 60 years of age and disabled people. The VDC can generate income from imposing different taxes. 75% of the land tax goes to the VDC treasury. These funds are spent in the Markhu VDC for various development activities: the construction and repair of school buildings; construction and repair of drinking water supply systems; maintenance of the local village foot trails, etc.

- *Educational institutions*

The average literacy rate in Nepal is 40% and is one of the lowest in South Asian countries. Most of the schools in Markhu have been established since 1990. There are six primary schools and a secondary school in the Markhu VDC. These schools are located in good locations and are easily reachable by the villagers on foot. Only 54%

of boys and 33% of girls in Markhu were recorded as enrolled in schools. Among those enrolled, 35% of the boys and 60% of the girls drop out before completing *primary* school, while 82% of boys and 86% of girls normally drop out before completing *high* (secondary) school. (Plan 1998) Probably education has not been available nor that popular in the past – schooling for the kids is a recent step for the villagers – and only got started in the 1990s. Also, teenagers have to generate income to support the family – this could be the reason behind such a high drop-out rate in the local schools.

- *Health care institutions*

The health situation of the Markhu area is similar to other villages of the country. Malnutrition and unhygienic conditions are a major cause of several illnesses. A government health care centre called the Health Post was established in 1965 for delivery of health services to the people. The health post generally provides primary care to the patients, as it has not been equipped with beds for the patients, pathology services, instruments, nor provides the services of a doctor. Normally, the health post is short of even essential medicines and sometime there is a shortage of health-care manpower to provide essential health services to the people. People often have to contact either a local private dispensary or travel to the Kathmandu or Hetauda-based medical centres, which is naturally costly for the poor people.

Description of Health Personnel in the Plan Makawanpur (including Markhu) Working Area (Plan International: 1999):

Doctor	0
Health assistant	5
Midwife	5
Auxiliary Health Worker	11
Maternity & Child Health Volunteer	10
Family & Child Health Volunteer	135
Traditional Birth Attendant	100
Dhami/Jhakri (traditional faith-healer)	1200 (approximate)

- *Income-generating practices*

A Fish Development Centre (FDC) was established in 1990 and an Agriculture Service Centre (ASC) and Veterinary Centre (VC) were established in 1984 to support the farming system in the village. The FDC provides necessary training in farming and marketing to the fish farmers. ASC provides training and agricultural extension services, e.g., distributes improved seeds, fruit saplings, advanced technology, insecticides/pesticides and fertiliser. The VC generally disseminates the



information on hybrid domesticated animals, helps in protecting the animals from various diseases, etc.

As a result of these initiatives, some of the leading farmers of Markhu have switched over to vegetable farming for cash crops and a few of them have gotten involved in fish farming. However, most of the villagers are still involved in producing local crops, vegetables and fruits and rearing cows, chickens, etc., in a traditional way.

A Forest Users' Group (FUG) is formed by the local villagers and the villagers work on a voluntary basis. In association with the District Forest Office, the local people are formed in a group and they are given training, motivation and encouragement for managing the local forests. The Government Forest Office maintains these groups, i.e., in practice, the District Forest Office make an arrangement to hand over the piece of forest to such FUGs. These FUGs are responsible for plantation, conservation and utilisation of the forest resources. The first FUGs in Markhu were established in 1990. Now Markhu has 21 Forest User Groups in the village maintaining 369.47 hectares of local forests. The local families in Markhu belonging to FUGs have been getting benefits from these forests managed and maintained by their own community.

- *Loan-providing Institutions*

For loans there are three banking institutions in Markhu: Nepal Bank Ltd., the Agriculture Development Bank and the Small Farmers' Development Program (SFDP). Nepal Bank Ltd. does not provide any production loans to the people. Normally, the Agriculture Development Bank provides production loans to large farmers (NPR 30 000 or more) and SFDP provides such loans only to small farmers. Local leaders have also got loans from the Agriculture Development Bank. SFDP provides loans to the poor community (NPR 30 000 or less) individually and also in groups with or without collateral. Farmers use SFDP's loans for livestock, fisheries, food production and cottage industries.

**Table 22:** Loan disbursements by the Small Farmers' Development Program (SFDP) in Markhu Village, Nepal to its groups and members (as on January 15, 2000)

Total number of groups in Markhu VDC	13
Total members	59
Total investment in Markhu	NPR 1 151 000
Payment date crossed	NPR 902 000
Total unpaid interest amount	NPR 1 325 000

Source: SFDP office records, Bajrabarahi, Makwanpur

The recovery rate seems to be quite low. Local economic conditions and mismanagement could be the reasons for such a low recovery. According to the villagers, good relations with the Agriculture Development Bank and SFDP personnel help in getting credit.

- *The markets*

Markhu and Simlang bazaars are the main administrative and business centres of Markhu village. There are a few dozen shops, lodges (hotels), and restaurants in these markets. Small groceries in all villages have the supply of everyday necessities like soap, salt, sugar, cigarettes, etc. Due to the daily public bus services to Kathmandu and Hetauda and also other means of transportation, the people of Markhu have better access to the bigger markets. Some of the nearest local markets for vegetables, seeds, and fertilisers are Taukhel, Bajrabarahi, and Bhimphedi, located in the neighbouring VDCs. Local elites have been getting most of the profits from the local markets by doing business, etc. However, the poor mostly remained silent consumers and far from the profits of these business establishments.

- *Traditional institutions and practices*

*Janne, Dhami, Jhakri* are the common names for local faith healers in Markhu. They are very common and popular among the people in the village and also in other rural communities in Nepal. They have played an important role in advising the villagers in health matters. There are about 1200 Dhamis and Jhakris in Markhu and in the neighbouring villages. The scientific quality of their treatment practices could be challenged – however they are very trusted among the common people. People still live in their traditional way – they get the services from these faith healers at their doorsteps at a very low cost. These all might have made the faith healers seem trustworthy to the villagers.

*Guthis* provide important services to the Newar community of the village. Thus, Guthis are regarded very highly among the Newar community. They perform various rituals, e.g., funerals, social ceremonies, religious services, etc. Guthis also help in settling the problems among the communities and also play an important role in the local society.

## **NGOs in the Markhu VDC**

It has been mentioned that around 3 600 people live in Markhu. A small village like Markhu has got six NGOs. It should be mentioned here that almost all NGOs in the Markhu VDC are or have been sponsored by Plan International, the only international NGO in the village. In other words, the development initiatives of other NGOs in the

village could indirectly be regarded as the development intervention of Plan International. The identified NGOs are (see also Dhakal & Hossain 2000, 10-11):

- *Plan International*

Plan International has been working in Nepal since 1978. This international NGO is working in more than 30 countries in the developing world, having a donor base in almost 20 countries. In Nepal, the activities are located in ten districts where it is supporting 30 000 sponsored children, their families and communities. The activities cover health, education, income generation, community organisation and infrastructure. (Plan nd.)

Plan has been working in Makawanpur district since 1995, covering 16 VDCs. These 16 VDCs are grouped into four Clusters and Markhu falls in Cluster-I. Major activities carried out by Plan in Markhu could be categorised into four domains – health, learning, habitat and livelihood. Plan Makwanpur implements its activities through local NGOs, CBOs, Users’ groups and in some cases with governmental field units in Markhu, e.g., with the local Health Post. (Plan 1995) The role of Plan International is more like a donor to small NGOs in Markhu. However, Plan International also carries out a few activities independently.

- *The Community Support Association of Nepal*

The Community Support Association of Nepal (COSAN) was established in 1990. In its stated objectives, COSAN promotes sustainable development, mobilises local resources through a process that conscientises, empowers and unites people for economic development, social rights and justice.

COSAN entered the neighbouring Fakhel VDC in 1991 and expanded its activities into Markhu in 1992. Major activities run by this NGO in Markhu are in the areas of education (adult literacy, open school, non-formal education, etc.); awareness building (mass meetings and workshops); health consciousness, nutrition and sanitation; sustainable environment; building community organisations and institutional development, etc. A group of donors, e.g., Canadian Co-operation Office (CCO), UNICEF, Plan Makwanpur / Kathmandu, the SWC, Ministry of Education, and District Development Committee in Makwanpur, etc. sponsor COSAN’s activities. (COSAN 1996)

- *Centre for Self-help Development*

The Centre for Self-help Development (CSD) was established in August 1991. This organisation was built with an aim to alleviate poverty through raising awareness and self-confidence among the poor. The objectives of CSD are socio-economic empowerment of the poor; mobilisation of internal and external resources for the benefit of the poor; and raising awareness and self-help development. CSD activities

are spread over 132 VDCs in ten districts of the Midwestern, Central and Eastern Development Regions of the country. In Markhu CSD is running a savings and credit programme with women's groups by following the Grameen Bank model in Bangladesh.

- *The Satteswari Youth Club*

The Satteswari Youth Club (SYC) was established in Markhu in 1996 and has its office in Markhu bazaar. The organisation is working in Markhu with grant assistance from the Plan office in Makwanpur, together with some funds from the political parties. The major activities of SYC are operating pre-primary schools, collecting VDC revenues, conducting non-formal education classes, etc. There are six pre-primary schools at Markhu Bazaar, Naya Gaun, Simlang, and Khadpukhel. Supporters of the Rastriya Prajatantra Party (RPP) have a close association with SYC.

- *The Indrasarobar Youth Club*

The Indrasarobar Youth Club (IYC) was established in Markhu in 1997. The office of IYC is located at Salle in Markhu. The club mobilises the local youth and conducts different extra curricular activities for them. The club receives its financial support from Plan International in Makwanpur. According to the local people, the Club is associated with the political party called CPM/UML and also receives financial support from the party workers.

- *The Suryashakti Youth Club*

The Suryashakti Youth Club was established in 1997. The major objectives of this club are fund-raising and mobilising the local youth both in social work and politics. Street drama, fund-raising and motivating local people are the major activities of this club. According to the local people, the Club is associated with the political party called CPN/UML.

- *Other NGOs*

The Indrasarobar Fish farmers' Association (IFA) is an independent membership association and helps its members in communication and co-operation with different offices; it provides useful information to the new fish farmers and helps them in marketing the locally produced fish. IFA does not receive any financial help from Plan International or any other donor NGOs. With support from Plan International, also a few other NGOs have been active in Markhu in recent years. Among them, Tamang Ghedung Sang (TGA) was providing literacy classes in the village in 1997. Since 1996, a NGO called SOUND has provided consultancy services to the villagers for drinking water projects. The Indrasarobar Fish farmers' Association (IFA) helps

its members in communication and co-operation with different offices, provides useful information to the new fish farmers and helps them in marketing the locally produced fish. The grassroots women's groups with the help of Plan International also are involved in operating their own programmes in the village.

### **Sangita Tamang and the NGOs**

Since 1995, Sangita Tamang and her family are in the target group of Plan International – the largest NGO operating development initiatives in her Markhu VDC. One of her daughters, Renuka Tamang, is a sponsored child of Plan International – and this is how the family became Plan International's client in 1995.

A family in one of the donor countries of Plan International has become the sponsor of her daughter. Therefore, the sponsor family is providing some support to the local Plan International. The local Plan International provides that money to Plan International in Nepal. Plan International in Nepal provides that money to Plan International's office in Makwanpur. Finally, Plan International in Makwanpur spends that money in developmental activities in co-operation with other local NGOs in Markhu, Sangita's and Renuka's native village.

Sangita has attended Plan International's adult literacy classes. However, she has nonetheless remained illiterate. Sangita is a social person, has also got an admirable character. Despite being illiterate, her skill in socialisation has improved, presumably from the literacy classes. Sangita has also received a four-day training course related to 'organisation and management'. However, she is not involved in organising and managing Plan International or any other development initiatives in her village. Her participation was found to be permitted only in limited beneficiary group activities.

Once in five years, on a nice morning the family has got 30 kg rice and one kg salt distributed by Plan International among the villagers. The family was happy with the support, since they did not need to pay for the rice and salt. However, the family knew that this support would provide them food for only two weeks. The rest of the year they have to live on their own – by producing agricultural products and by selling their labour in the village or in nearby cities.

Sangita has received some construction materials from Plan International to build a semi-modern toilet. In addition, she has also received NPR 1 200 as a skilled worker's wage in order to build the toilet in her home. All these resources she has received on an instalment basis. Thus, the whole process of constructing the toilet with these supplies took about two years.

Apart from the above support, the family has also got vegetable seeds from Plan International at a subsidised price. The total value of the seed would be less than NPR 20.

Once the sponsored daughter, Renuka, got the chance to participate in the 'child conference' organised by Plan International in the district headquarters in

Hetauda. Renuka has got nice memories from her trip and she was excited to have a free bus ride to the town. During the conference time she got free food and local sweets. She saw a lot of people – which was enjoyable to this innocent village girl.

Attending adult literacy classes, support for constructing a toilet, training in organisation and management, 30 kg rice and one kg salt, vegetable seeds at a subsidised price, Renuka's participation in the child conference – these are all that Sangita and her family have received from Plan International since 1995. Important necessities of life the family was trying to obtain with their own efforts like the previous generation did. They know the above services from Plan International have not improved their lives or family incomes, nor made a significant impact on their tradition-bound lifestyle. However, all these activities have created high hopes for Sangita and also other sponsored families in the village. They hope that someday Plan International will do something big for them. The everyday problems in their lives would be over thanks to Plan International!

### **The relevance and sustainability of NGOs in Markhu: analysis from the empirical findings**

In connection to Sangita's relationship with Plan International, the Area Co-ordinator of the organisation was asked about their development intervention in the village. The person was not able to say why they have started such development initiatives in the village. He referred to the fact that before 1995, a PRA exercise was done by Plan International in the village and they identified the needed services for the community. Based on the PRA results, they have designed the present operation. He understands the limitation of the present approach – however highlights the poverty scenario among the Tamang community in the village and tries to justify the relevance of such intervention. The co-ordinator also knows that their development intervention is 100% dependent on foreign aid and any future change in the availability of foreign aid would force them to terminate their initiatives in the village. However, no initiative for making the local development interventions sustainable was planned.

Plan International and other NGOs have created some jobs in the village for their personnel. Certainly some jobs have indeed been created and the jobs are a significant source of income for the employed persons and their families. Some of the personnel come from other cities or villages to work in Markhu with the local people. The NGO personnel's life has got a different style than that of the average village people. For example, they get a good salary, eat in the newly created restaurants in the village, drink Coke, ride motorbikes, smoke expensive cigarettes, etc. These all give village people a different outlook they have not experienced earlier. These non-traditional activities give the village people a sense of modernisation, which has very little positive contribution to village life; rather this change takes a lot from the traditional values people have been practising over the centuries.

Sangita and her fellow colleagues from the same region were asked about the services they have received from Plan International. They all know that the services they receive from the organisation are not necessarily relevant or have little importance to their practical needs. However, they were happy to receive some of the services because the services were at no cost and they hope to get some more services in the future. They were asked by Plan International to form or to join women's groups and they have formed or joined such groups – they are saving some money of their own. Compared to their socio-economic needs, the amount of the present savings is very small. These savings groups are not functionally very local initiatives, rather the impetus came from Plan International. Despite being head of a local savings group, Sangita could not know the amount of savings her group had; she does not know the exact balance. Plan International helped her to open an account in a local bank. However, Sangita does not know the system how to operate a bank account. This is why she could not tell the balance of their credit. Most of the village ladies were found to have the opinion that if Plan International terminates its operation in the village, they will abolish the groups. Thus, the sustainability of the present initiatives is uncertain.

The co-operation and co-ordination among the development interventions of various public, private, NGO, and traditional institutions in Markhu are weak. Only Plan International has been playing some role in co-operating with local development institutions. Several organisations were providing the same kind of services. The village population is only 3600 and there are dozens of small and large organisations serving this number of people – still most of the village people are believed to be poverty-stricken. The sustainability of the local NGOs in Markhu also depends on the financial contributions they receive from Plan International. For example, during the period in which the study was done, a local NGO terminated its activities, since Plan International had stopped its support for the NGO.

Affiliation with political parties provides opportunities and risks for a few NGOs in the village. Political commitment among the party members provides the possibility for sustainability of their activities in the region. At the same time, if the services of the organisation were only designed for party members, other villagers would be excluded, thus creating tension among the members of different political parties.

Overall, despite its geographical backwardness, the local society in Markhu is sustainable like other villages in Nepal. People are surviving with the basic care by family and relatives. Sangita was asked about how she and the family survive half of the year when the family has already consumed the produced food. They did not mention any help from any NGO or from any other development institutions in the village. The mentioned sources were *a.* the labour she and her family members sell to the labour market; and *b.* the help she gets from her relatives. If positive changes come to their livelihood, that certainly would be due to the income of her family members and the help of the relatives.

The mentioned facts about Sangita Tamang and her family are far from the NGOs and other development intervention in the village. The artificially created lake of the electricity-generating project, the Kulekhani Hydro Project, and the Fish Development Centre, is a short walk far from her home. But the family has neither got access to the electricity supply nor any access to fish farming, two giant development interventions in the village. The basic factors of her family life, e.g., economy, society, education, water and sanitation, health care, culture, etc. have their own rhythm and spirit. NGOs could be viewed as a tool of modernisation in her family perspective.

Sangita, her family and her society are more sustainable than the NGOs and the NGO-led development services she receives. The family has been surviving there for many generations. It is difficult to assess the relevance of the NGO services for Sangita and her family. The adult literacy class could not make Sangita literate – there was likely a problem in the teaching method. Among other services, the toilet would remain with the family – no matter whether they use it or not! The rice and the salt have already been consumed by now – hopefully not creating a sense of dependency among the family members on Plan International. The vegetable seeds at a subsidised price probably could not make a big difference in the vegetable production of the family – as the family has already been growing a lot of vegetables on their land over decades. One can only expect that Sangita's training in 'organisation and management' and her daughter Renuka's participation in the 'child conference' would make them more knowledgeable and help them in future. The women's group Sangita is leading probably would survive as long as Plan International supervises the group activities. Overall, the group activities remain unsustainable due to a dependency syndrome.



**Table 23:** The sustainability of Plan International programmes in Markhu village in Nepal: a glimpse

<b>The Donor NGO→</b>	<b>Plan International</b>
<b>Factors↓</b>	
Government policy	xxxx
Donor commitment	-not studied-
Managerial capacity	xxx
<b>Other Factors:</b>	
Organisation	xx
Local participation	xxx
Financial	xxx
Technological	x
Socio-cultural	xx
Resource mobilisation	x
Environment & ecology	xx
External factors	xxx

(x = not good .....xxxxx = very good)

**Table 24:** The sustainability of NGO initiatives in Markhu Village: a glimpse

<b>NGOs→ Factors↓</b>	<b>COSAN</b>	<b>CSD</b>	<b>SYC</b>	<b>IYC</b>	<b>SYClub</b>	<b>IFA</b>
Government policy	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx
Donor commitment	xxx	xx	xx	xx	xx	x
Managerial capacity	xx	xx	xx	xx	xx	xxxx
<b>Other Factors:</b>						
Organisation	xx	xx	xx	xx	xx	xxxx
Local participation	xxx	xx	xx	xx	xx	xxxx
Financial	xx	xx	xx	xx	xx	xxxxx
Technological	x	x	x	x	x	x
Socio-cultural	xx	xx	xx	xx	xx	xxx
Resource mobilisation	x	x	x	x	x	xxxxx
Environment & ecology	xx	xx	xx	xx	xx	xxx
External factors	xxx	xxx	xxx	xxx	xxx	xxx

(x = not good .....xxxxx = very good)

### Concluding remarks

Despite all these criticisms, certainly the NGOs in Markhu have brought some welfare and services to the local village people. Any sort of development intervention could justify its relevance in a place like Markhu, where agriculture is still the backbone of the local economy and a dry mountainous landscape is not necessarily very supportive of a good level of agricultural production.

The impetus in developing the local NGO sector came from Plan International during 1995. Financially, the sustainability of the NGO-led development initiatives in Markhu seems very vulnerable and fragile and practically depends on the aid provided by Plan International. The sustainability of some services, e.g., literacy and education, would remain with the people – though the NGO intervention could not yet make a significant improvement in Markhu in this regard. The institutional sustainability of the women's groups is also not certain; the group members need more motivation and skill to carry out their activities independently. It is not certain how long Plan International would supervise the group activities. Therefore, the sustainability of these development interventions remains to be seen in the coming years.

## **6.0: KEY RESEARCH FINDINGS: THE SUSTAINABILITY OF NGO-LED DEVELOPMENT INITIATIVES – SOME EMPIRICAL OBSERVATIONS**

### **6.1: FACTORS AFFECTING SUSTAINABILITY: ADMINISTRATIVE PERSPECTIVES**

‘Development Administration took off into modernisation, nation-building, social change, industrialisation, cultural anthropology, urbanisation, political ecology and anything else that seemed to promise help for policy makers in developing countries’ (Caiden 1971, cited in Hussain 1994, 12). Another definition of development administration states (Meadows 1963, cited in Hussain 1994, 13) that ‘Development Administration can be regarded as the public management of economic and social change in terms of deliberate public policy. It is concerned with guiding for change’. This change is connected a great deal to modernisation and economic globalisation. Development administration promotes modernisation. So do the NGOs in developing countries. There are agreements and disagreements between scholars and policymakers whether modernisation and economic globalisation are a remedy for underdevelopment – thus the issue is debatable. However, it could be said that several elements of modernisation have a long, sustained effect in various forms in various parts of the globe. The NGO-led development initiatives have also made an impact on the development landscape in developing countries.

However, the heterogeneity of the NGO sector makes it difficult to draw any conclusions on the administration or effectiveness of NGO-led development projects in the international aid system. The interest of different donors in supporting NGOs also varies significantly. For example, the guiding principles of NGO support by the USA and Norway might be substantially different. Fundamental principles and the work style also differ among, e.g., the Nordic NGOs. The degree of heterogeneity among the southern partner NGOs working with Nordic NGOs is even greater due to their aid involvement with other donor NGOs and donor countries. Thus the NGO role in development should be assessed and analysed through the international economy and aid system – in this case, evaluation of the effectiveness of particular NGO projects might bear limited importance. Norwegian scholar Terje Tvedt states that ‘as one does not understand the way a river runs without knowing about its reservoir, it is thought necessary to understand the linkages the different NGOs have to different funding sources in order to understand the role of a particular NGO or how a particular NGO implements a definite project (Tvedt 1997, 2)’. The International Institute of Rural Reconstruction study (IIRR 93-2501EI) also found that most of the NGOs in developing countries exercise leadership without basic management skills. Very often the organisational structure is weak, with the problems of unclear roles, weak administration and poor communication. NGO managers often

tend to put emphasis on rapid responses rather than long-term solutions. Another limitation of their organisational culture are the 'founder's trap', especially in recently founded organisations. Founders may be unwilling to surrender control over the organisation. Activities are structured around strong personalities instead of organisational functions. So, the donors' target to reach the 'poorest' by involving NGOs and by bypassing the southern government does not always work.

The sustainability of NGO-led initiatives could be ensured by improving managerial skills in the NGOs. Strategic management should consider the following issues in improving the performance of development projects (Paul 1986, 35-38) – which are in most cases absent in NGO-led development projects. A brief analysis may provide some useful insights into managerial aspects of NGO-led development:

### *The environment of the project*

The environment includes the forces outside a project that create opportunities for, as well as constraints on, its growth. The supply of necessary inputs for the project is necessary. The environment of most development programmes includes prevailing political conditions and the local institutional and bureaucratic set-up. These conditions change at different rates, and from place to place. The NGO leaders or managers must not only be familiar with them, but also appraise the environment in order to identify opportunities for the programme's growth, while minimising the impact of any emerging constraints. Favourable environments improve a programme's potential for sustainability and further expansion. Unfavourable environments are not supportive of the sustainability of development projects.

However in Bangladesh and Nepal, in practice, most of the NGO leaders have a tendency to isolate their organisations from the larger prevailing political conditions and the local institutional and bureaucratic set-up of the country or of the government. Therefore, they remain busy identifying the possibility of having support from the donors but not from the surrounding environments. If needed, they seek protection from the embassies of the Western countries, not from their target groups, the people they work for. As a result, government measures to control and regulate NGO activities in developing countries often irritate the NGOs and their donors. Taking the government rules and regulations positively and trying to get good use of those could be a strategic choice for NGOs to strengthen their capacity.

### *The Project strategy*

A strategy is the set of long-term choices the project leaders make in terms of goals, services, policies, and action plans. Successful strategies should meet a particular NGO's overall objectives, the host government's development plans and the demands of its operational environment. Strategies that meet the government goals and match the environment are more likely to be more sustainable than those that are not.

In practice, except for a very few large NGOs, most of the NGOs in Bangladesh and Nepal do not make any long-term choices. Usually their objectives and goals are adopted according to the preferred interests of the donors – so that donor support becomes more available. For example, the objective of an NGO in 1975 may be substantially different in 1985 – this might be normal – but the changes in the objectives always happen in the areas in which donors show interest. Several plans of the NGOs differ from their host governments' development plans and have little relevance for macro-level development plans. Therefore, the gap between the stated objectives of the NGO and the strategies results in inconsistency in its managerial practices. By setting the strategy according to government development plans, NGOs might gain better results.

### *The organisational structure*

The organisational structure of a project is the durable arrangement within a project agency (operating NGO) to perform the tasks defined by its strategy. These include the distribution of authority and responsibility, reporting relationships and the mechanisms for integrating its functions. Depending on the nature of the project -- in the case of NGOs, decentralised structures function better than centralised ones. Structures should not be very fixed and permanent. Flexibility in organisational structure gives the NGO workers space to become dynamic. No single structure is good for all strategies and environments. Many development programmes fail because they are unable to adapt their structures rapidly to evolving strategies and changing environments.

The non-durable nature of NGO-led development projects makes them vulnerable in establishing a balanced and workable strategy. Although NGOs have an image of being flexible and non-bureaucratic, their authority and responsibility are usually very centralised – often exercised by a single leader or by a few members of the executive board. Most of the national or local NGOs in Bangladesh and Nepal have a single or a few leaders who are very permanent – have not changed since the particular organisation's inception. Famous NGOs like the Bangladesh Rural Advancement Committee (BRAC) and Proshika working in Bangladesh, and the Backward Society Education (BASE) in Nepal, could be examples of this kind. However, participatory and democratic leadership in organisational practise makes NGOs effective. The reporting of their activities is largely missing. Small NGOs also suffer with their single structure and cannot handle multiple projects.

### *Organisational processes*

An organisational process is an instrument for influencing the behaviour of employees and beneficiaries of a programme. If the workers of an organisation are to accomplish common goals, managers need the means to motivate them and influence their performance. Participative methods used to set goals, allocate resources and

implement programmes are one set of organisational processes. The monitoring methods for evaluating and controlling performance are another. Such processes are commonly found in successful development initiatives. The process of human resource development (staff selection, training, etc.) comprises another set of instruments.

Like many government agency officials, very few NGO managers seem to realise that these are not fixed processes and that to be effective, they should be adapted to particular strategies and structures. A particular organisational process should be designed according to the type of the project. The right combination of processes improve performance. Although NGOs preach peoples' participation in development, in practice participatory decision-making is not practised by most of the NGOs in Bangladesh and Nepal. The central leaders usually make decisions in the head office, often with the influence of the donors. Proper organisational processes are a source of power for ensuring the sustainability of NGO-led development initiatives.

None of these above factors of strategic management (environment, strategy, structure and process) are independent. The effective management of development projects is fostered by the strategic and dynamic interactions among these managerial factors that could be practised by NGOs.

In Bangladesh and Nepal the overall management practises are traditional, something like a household management style or like the management of family enterprises, and it is also the case in the NGO sector. Weak bookkeeping causes financial mismanagement in this sector. In reference to successful managerial practises in the 'industrialised West' Max Weber (1930) stated in his book, *The Protestant Ethic and the Spirit of Capitalism* (Weber 1995, 24) that the modern rational organisation of the capitalistic enterprise would not have been possible without two important factors in its development: the separation of business from the household, which completely dominates modern economic life, and closely connected to it, rational bookkeeping. This peculiar modern Western form of capitalism has been, at first sight, strongly influenced by the development of technical possibilities. Its rationality is today essentially dependent on the calculability of the most important technical factors.

However, managerial practises still remain traditional and non-strategic among NGOs. Recent research on selected medium and small NGOs in Bangladesh and Nepal affirmed their traditional management practise. Usually big NGOs and foreign NGOs have a rational practise of day-to-day management – but big NGOs often suffer from a large bureaucracy, a complicated finance system and huge head-office costs. Career-conscious professionals seem to be better-performing managers. Idealistic volunteers are found to be weak in their managerial practises. Therefore, in recent development management, the NGO sector has faced a dilemma between choosing better-performing highly paid professionals and poorly performing idealistic volunteers – although volunteers and volunteerism are said to be the main

spirit of these organisations. Riddel and Robinson (1995, 134) found that ‘the NGO style in Bangladesh, as elsewhere, is caught in the tension between a voluntary and a professional ethic. This is clearly evident in NGOs’ moves to become more technically proficient, although they have difficulty retaining technical staff and few have the funds available to establish fully proficient technical backup.’ Compared to foreign or international NGOs, local NGOs are weaker in their management – however local NGOs are said to be more connected to the local people, society and culture and can contribute more to the poor. So far, the governments in these two countries have not taken any effective steps to improve the management capacity of the NGO sector. Thus measures to upgrade the management capacity of the NGO sector largely depend on the NGOs and their donors – governments do not morally consider this their priority in development management (Pokharel 1999).

According to the Bangladesh NGO Affairs Bureau (Ahmed 1996; Alam 1996; Alamgir 2000), the management capacity of NGO-led development projects in Bangladesh has great importance in determining their success and failure. Capable management is the most important asset for an organisation. Good management can satisfy the clients – therefore, improving management capacity facilitates sustainability. In the case of management capacity, some big NGOs, e.g., BRAC, Proshika, RDRS, and CARE are efficient. Small NGOs are largely lacking managerial capacity in their work. The overall situation of the managerial capacity of the NGO community is very weak. Their projects are not cost-effective. Thus their management cost is high. The government is concerned about it, but due to financial constraints, so far, neither the Bureau nor the Government could organise and operate management-related courses for NGO officials. Recently some big NGOs have been initiating short courses on management for NGO workers and leaders. At present, the Government and the donors have been emphasising NGO-Government collaboration in Bangladesh. If this collaboration works well, there will be possibilities to improve the management capacity of the NGOs in the country.

The Nepal Social Welfare Council (Bhattarai 1996; Pokharel 1999) also provided the insight during the field work that managerial capacity among NGOs in Nepal varies a lot; few NGOs have good and established effective managerial capacity in project management. Most of the organisations are simply poor in project management. Some NGOs are providing training on management to others, but still very limited training facilities are available for NGOs. The newly established NGOs are quite weak in their managerial capacity. Thus the SWC feels that the capacity of these NGOs in project management should be improved. In order to ensure sustainability in their work, NGOs in Nepal should significantly improve their management capacity. The SWC and the Government’s positions are positive toward extending their help to NGOs in this regard. With the present level of management capacity, most of the NGOs would fail to manage their development programmes. Developing democratic leadership and sound managerial practices could be strategic choices enabling the NGO sector to ensure sustainability. Accountability to the government would also promote ‘trust’ in the NGO-Government relation in the

country and thus could contribute a great deal to assuring the sustainability of their development initiatives.

## **6.2: EMPIRICAL FINDINGS FROM BANGLADESH AND NEPAL**

In order to clarify the relevant context for the findings of this study, it is worth mentioning here the findings of a study on British NGOs in Bangladesh by Riddell and Robinson et al. (1995, 136). Their case studies found that turning to the NGOs in Bangladesh themselves, the issue of self-reliance and sustainability becomes more complex. The availability of foreign funding has shaped the Bangladeshi NGO style in ways which would not be easy to sustain from internally generated sources. The same is the case also in Nepal and elsewhere (Pokharel 1999). The NGOs have become substantial institutions with a pronounced tendency to expand both the range of their programmes and the geographical scope of their working area. The donors have, therefore, played a contradictory role: on the one hand, they extol the virtues of self-reliance, on the other, their provision of funds has moved the NGOs into a position where self-generation of the funds to keep them going is simply not feasible. This may spiral further as NGOs receive larger and larger funding from official donor agencies and become increasingly top-heavy as more and more time and energy are spent on servicing donor requirements. Similar contradictions are evident also at the local level. While, on the one hand, NGOs state their aim as fostering self-reliant development among the poor, on the other hand, they build themselves up as institutions that look set on staying. With one voice they go to the poor with something to offer; with another they say that the poor should stand on their own feet.

### **The sustainability of NGO-led development initiatives: analysis from selected case studies**

It has been mentioned that a development programme is considered sustainable when it is able to deliver an appropriate level of benefits for an extended period of time after major financial, managerial, and technical assistance from an external donor is terminated. (OECD 1989, 13) The OECD compendium of evaluation experience contributed some of the key points (OECD 1989, 7) of this definition. In light of the compendium, the studied NGO-led development programmes in the northern and northeastern part of Bangladesh and midwestern and central part of Nepal could be analysed as follows:

One key issue of assessing sustainability is the sustaining flow of benefits – the results or impact of a programme – that are relevant to a developing country's priority needs and the interests of decision-makers and beneficiaries. (OECD 1989, 7) Most of the NGO-led development programmes in Bangladesh and Nepal might have



an impact on the lives of the people, with a degree of benefits. Education projects, microcredit finance, community health care, awareness creation, etc. activities have a positive impact and some people get benefit from these programmes. However, most of the NGO-run programmes have already been carried out earlier by several other public organisations in the region – thus, present-day NGO programmes are in general overlapping with each other and with other public organisations. There exists a lack of co-operation and co-ordination in operating development initiatives. Microcredit finance, non-formal primary education, social forestry, etc. programmes of a few NGOs, no doubt, have achieved some success in the two countries. However, very few of the NGO development approaches, in general, are innovative, cost-effective and flexible, even if the participation of the people especially from the local community is accomplished in good spirit. The level of participation and flexibility which exists in the NGO sector are only in the given environment, e.g., decided mostly by the NGO leaders and practised by the target groups. The NGO programmes are not generally designed specially by the countries' leading policy-makers nor have they been designed to fulfil the governments' priority sectors. While several elements of NGO programmes have some importance to government policy-makers, the interest of the governments is not so strong that they would undertake the NGO-led development projects if the NGOs become unable to run their programmes themselves due to the unavailability of foreign aid. Except for a very few, most of the NGOs in Bangladesh and Nepal were found to work with a degree of isolation from the government offices, e.g., isolated from the local institutions. Extreme dependency on and availability of foreign aid also keeps the NGO leaders' attention away from mobilising local resources and building effective partnership with government institutions – which would result in a long, sustained impact of NGO activities in the region. Rather, most of the NGO programmes were designed to make them adaptive and acceptable to the donors' policy – a conventional practice in the NGO sector to attract foreign aid. Few of these programmes are likely to share the priority needs of the government development plans.

In order to achieve sustainable benefits and maintain supporting activities and institutions, development interventions and projects should be specific. (OECD 1989, 7) Most of the NGOs are not involved in only one specific project in Bangladesh and Nepal, rather they are practising an 'all-sector' approach in their development intervention. It does not seem that the development intervention of the NGOs would support or maintain the created institutions if foreign support were to be withdrawn. Limiting their activities, e.g., education, health care, or credit would help the NGOs to strengthen their village institutions. In other words, NGOs are not only involving themselves in many sectors, they are also expanding their activities in many regions in the country (e.g. several districts or areas in a country), rather than working in a specific geographical area. Except for a few large NGOs in the region, most of the NGOs, with their present professional knowledge and management capacity, may eventually fail to deliver benefits to the poor if they involve themselves in numerous

sectors of development and in various regions – this also might weaken the NGOs themselves and their organisations.

In assessing sustainability, the criteria of ‘appropriate level of benefits’ and ‘extended period of time’ in the OECD (1989) definition should also be defined in each instance by taking into account the country’s development objectives, the initial investment and recurrent costs and the creation of a permanent institutional capacity. It is difficult to assess the ‘appropriate level of benefits’ of a development initiative in countries like Bangladesh and Nepal. Materialistically, as an example, Nepal might lack a lot, and the UNDP ranks it in the Human Development Index as 148<sup>th</sup> among 163 countries in the world. (UNDP 1998, 32) The per capita income of Nepal is only USD 210 (Nepal South Asia Center 1998, 13). However, the average Nepalese do not consider themselves poor as long as they do not compare themselves with the industrially rich countries. Nepali Scholar Dor Bahadur Bista explains it in the following way (Bista 1994, 133, italics added):

*Nepal has historically been self-sufficient and the idea of foreign assistance is a new one. Nepalis may be poor by international standards but the Nepali peasants are self-sufficient and largely content. Because of their isolation from international affairs, Nepalis had no idea that they were relatively impoverished until a few decades ago. With an increasing awareness of the relative affluence of the western world and other benefits of modern technology a desire for a change in the economic base of the country has been felt. Along with it has also increased the awareness of being the poorest country of the world. This is destroying the gracefulness, charm, generosity and hospitality even among the rural people. So the improved condition of Nepal in statistical terms is not necessarily all positive. People are paying their prices in terms of some positive human values which once lost will not be that easy to reinstate for generations to come.*

Therefore, the dilemma of the above-mentioned ‘dual notion’ of presenting the economic status of Nepal like many other developing countries makes it more difficult to determine the ‘appropriate level of benefits’. However, after considering the socio-economic standard in Bangladesh and Nepal, it could be said that the benefits (in health-care, education, etc.) people receive from NGOs seem to be quite appropriate, at least they have relevance to the needs of the poor. Most of the NGOs in the region were not found to follow any specific timetable in implementing their development programmes. The time-frame practise seems open-ended – as long as foreign aid is available for the multipurpose and multisectoral projects. Presently, some of the foreign donors are trying to encourage the sustainability of their supported projects – but the NGOs find it too late to take advantage of donor willingness to support sustainability measures in their activities, as the phase-out period has officially expired or is scheduled to expire soon. (Chaudhari H. 1999)

They need more time to begin with the initiatives to make their projects sustainable. (Rokeya 1996)

The termination of major external assistance assumes the developing country will provide the financial, technical and managerial resources required to sustain the programme. Continuing relations with external technical groups and supplementary financing of commodities by external donors may often be desirable. (OECD 1989, 7) The Government of Bangladesh (Alamgir 2000) has stated that they will not take over NGO development activities if donors stop funding them. However, the Government may take over the Government-NGO collaborative projects. The Government considers that the concept of an NGO is basically donor-driven – therefore, it is rare to find self-help initiatives among NGO development projects in Bangladesh. In these circumstances, if the donors stop funding the NGO projects, most of the NGOs in Bangladesh would fall into a vulnerable situation. Some large NGOs, e.g., the Bangladesh Rural Advancement Committee (BRAC), and another few which have commercial ventures based on their own capital may continue to work. NGOs operating microcredit programmes could be sustainable without foreign funding, since they receive service charges and interest from their loans to the poor. Mobilising credits involves mobilising domestic resources – group savings of the poor may make a difference in the sustainability of their organisation and of themselves. NGOs involved in issues related to human rights, women in development and sanitation programmes have some chances to make an overall impact on their target groups and the given knowledge would be sustainable in the society.

The Nepal case is not very different than in Bangladesh. Most of the government officials (Bhattarai 1996; Pokharel 1999) in Nepal provided the insight that NGOs have mostly been developing their activities without consultation and co-operation with the Government. Therefore, there is no chance that the local government or the central government authorities would undertake NGO-led development projects and provide the financial, technical and managerial resources required to sustain their programmes. It should also be mentioned that some NGOs limit their activities among specific communities and the governments are working with people from every walk of life. Undertaking such NGO activities, providing services only to certain communities in a region while ignoring other groups of the poor, cannot be justified by the Government – as the poor are many and poverty does not follow any borders, nor does it concern only one community among the poor.

Overall, the programmes of development NGOs in Bangladesh and Nepal, largely (if not totally) depend on foreign funding. Recent statistics show that 99.97% of the total annual funding of an NGO in Nepal comes from external donors (Chaudhari 1998, 14). The present activities of most of the NGOs, e.g., running literacy classes, sponsoring microcredit programmes, organising health care, etc. are not operated using local resources. It was found that alternatives for generating resources to run the activities were not yet developed – that is the case for most of the NGOs. Phasing

down or phasing out of the development programmes or even decreasing the salaried personnel could raise questions: What would the level of sustainability be, if many of the employees (who did not take other employment for the sake of their careers) were to lose their jobs?

## **Factors affecting sustainability: perspectives from Bangladesh and Nepal**

### *Government policies*

Since independence, NGOs have become an integral part of the institutional framework of development management in Bangladesh. Since the 1970s, there has been a spectacular growth of NGOs in number and the NGOs have extended their programme coverage from relief and rehabilitation to education, health, human and economic development, gender equality and the environment. NGOs are also increasingly becoming involved in some critical areas such as playing the role of human rights watchdog, policy analysis think-tank, etc. (Aminuzzaman 1994, 2). During recent years, the NGOs have entered into an operational arena which has traditionally been the 'exclusive domain' of the government or public sector. As a matter of fact, given their operational efficiency and experienced manpower, the NGOs, in effect, are penetrating into that exclusive ground with increasing force (University of Dhaka 1994, 1). As a result of the supportive government policy, by the year 1994, a little more than 14 000 NGOs were registered with the Department of Social Welfare, the Ministry of Women and Children's Affairs and the NGO Affairs Bureau in Bangladesh (Aminuzzaman 1994, 2).

The significance of the NGOs involved in the overall development programmes in Bangladesh can be seen from the pattern of inflow of foreign resources to the sector. The proportion of total foreign aid to Bangladesh disbursed through NGOs was about one percent in 1972-73 (Abed et al. 1984 cited in Aminuzzaman 1998, 87). During the mid-1980s, on average, about 16 percent of the total foreign aid inflow was mediated through the NGOs. About 20 percent of the foreign aid flow to the country is currently channelled through NGOs. Another statistic shows that the proportion of total foreign aid to Bangladesh disbursed through NGOs was only about one per cent in 1972-73, but by the end of FY 1986-87, it had reached 17.4 per cent. (Aminuzzaman & Begum 2000, 111) Certainly the percentage of foreign aid administered by NGOs in Bangladesh has increased further over the years.

The policy of the Government of Nepal concerning NGOs has become relatively supportive since 1990. The number of NGOs has been doubling in each recent year. (Hossain 1998, 108-113) The Eighth Plan (1992-97) also supported the growth of NGOs in Nepal. In addition, the Ninth Plan (1997-2002) has taken NGOs as development partners, aiming to make the activities more effective and to create an environment for conducting their activities in a co-ordinated manner. (National Planning Commission 1997, 46)

Apart from enjoying a degree of liberal support from their respective governments, the NGOs in the two case countries have not been able to build effective partnerships with their governments and their programmes have remained largely unsustainable (Ahmed 1996; Pokharel 1999). The NGO programmes have remained largely isolated from the government programmes at the field level and NGO leaders have a tendency to compete rather than co-operate with the government. Thus, they are lacking prospects for sustaining their activities through their respective governments.

### *Management capacity*

Except for a few exceptions, the overall managerial capacity of public and private institutions is not very good in South Asia. (Pokharel 1999) Therefore, the governments give space for NGOs in the countries' development efforts with an expectation that the NGOs would do better than government agencies in their management practices. Theoretically, this is also the justification for this special sector to exist. However, except for a few NGOs, the managerial capacity of the NGO sector in Bangladesh and Nepal remains largely backward (Ahmed 1996; Pokharel 1999). NGO capacity to manage human resources is very weak. There is no job security among the workers – the jobs of the general workers exist due to the will and mercy of the chief executives of the organisation, who even have control over the clients' savings. (Alamgir 2000) The International Institute of Rural Reconstruction also states (IIRR 93-2501EI) that most of the NGOs exercise leadership without basic management skills. In countries like Bangladesh and Nepal, NGO leaders consider their leadership practices to be charismatic. Also the linkage with the foreign donors adds a degree of respect to the charismatic style of leadership – which more or less exists due to the professional and financial dependency of the lower-level personnel or field workers of the NGOs and their target groups. No one challenges the leader and her/his skills in effective management – although the leaders have very few management skills. In general, the NGO leadership studied seems to be in a syndrome of this kind. However the NGO leaders have remained ambitious about their capacity in the region. (see e.g. Hossain 2000a, 80; Hossain 2000b, 32-33) As a result, the organisations remain unsustainable with their current managerial practices, also due to the fact that the external and internal linkages of NGO programmes are not properly managed.

### *Organisation*

Very often the organisational structure of NGOs is weak, with the problems of unclear roles, weak administration and poor communication. NGO managers put emphasis on rapid responses rather than long-term solutions. (IIRR 93-2501EI) In South Asia, NGOs are not peoples' democratic organisations – at least this is the case with the NGOs in Bangladesh and Nepal. Usually they are run by an executive

committee (or a board), representing a limited number of general members and often they are not from the target group. The development programmes of NGOs are not run by membership subscriptions – rather these programmes almost totally depend on foreign aid provided by external donor agencies. Thus, these organisations remain largely vulnerable to the donors in deciding their development plans. Even the NGO executives are not confident that their organisations would run if donors were to withdraw their money. Therefore, it is not likely that these organisations would be sustainable with the present spirit if foreign money were to stop.

### *Local participation*

Participation must be seen as an exercise in giving the rural poor the means to have direct involvement in development projects (Oakley and Marsden 1990, 64). In the case of NGOs, although at the programme level the local community might have participation, the participation could not be considered 'direct', as it is limited only to the implementation period. Usually the 'rural poor' are not all equally considered in NGO programmes, rather their programmes are mainly designed for specific communities. In practice, a huge number of poor outside the community cannot enjoy such services, although their socio-economic status is similar to those served by the programmes. Usually the economic participation of the clients in microcredit programmes is good, but not enough to make the programmes sustainable if external donation stops. Their projects are not giving opportunities to villagers for meaningful participation (e.g., in decision-making, planning, etc.), instead limiting their participation to receiving services. Improved initiatives to strengthen the poor peoples' incomes would give NGOs an opportunity to sustain their activities through their clients.

### *Financial factors*

Community contributions to NGO initiatives should not be expected much due to the overall socio-economic conditions in developing countries. Fund-raising capabilities and arrangements for local community participation should be improved, but in practice often the funds raised do not contribute much to the overall cost of the project. As NGOs are dealing with people from the poorer segment of society, provisions for initiating user fees might exclude the poor from projects. And the project aims could gradually be jeopardised by the middle class and the richer section of the society. Therefore, the NGOs could consider improving the financial capacity of the poor to buy services in advance. (OECD 1989) Community contributions are not generally sought by NGOs in Bangladesh and Nepal. Local fund-raising initiatives were found to be largely absent or minimal in light of project costs and initiatives towards local resource mobilisation were also found to be poor. Fund-raising in villages in the region might be not an effective approach. However, there exist ample opportunities to mobilise local resources by initiating income-generating

activities with the assistance of the poor, e.g., co-operative farming, goat-rearing, poultry and dairy farming, etc. as the NGOs find appropriate in the areas in which they operate.

### *Technological factors*

Depending on the project, the overall technological competence of the poor is not advanced, if not absent. However, a particular community's capability of operating and maintaining technology in indigenous sectors, e.g., agriculture, fisheries, rural transportation, etc., could be good. Usually the project-operating NGO and the donors select the types of project (e.g. health, agriculture, empowerment, advocacy, etc.) or project services in advance. The target group has very little opportunity to participate in the selection of the technology to be used in the project. Therefore, the role of the target group in technology selection could be discussed in advance among the donors, NGOs, and the project beneficiaries. Acceptance of technology by the target groups very much depends on prior consultation with them. At the same time, the use and improvement of local technology could also be considered. (OECD 1989)

Services provided by most of the NGOs in Bangladesh and Nepal do not include sophisticated technologies. Indigenous technological innovation among some NGOs in Bangladesh deserves appreciation, for example, the low-cost treadle pump made out of bamboo. Agricultural support to the villagers may include providing high-yielding varieties of vegetable seeds – which have probably been provided by many government and private agencies in the villages. Distributing contraceptives, e.g., condoms, birth control pills, does not require advanced technologies. Missionary organisations were found to be managing the project-related technologies well due to presence of their expatriate workers. Some 12 traditional wells built by an NGO in Nepal were not managed and maintained properly; rather, they seemed to be endangering the children of the village, as the wells had no covers and children could accidentally fall down into them. At the same time, these open wells were very vulnerable to contamination. Having knowledge in technology use might be more important than the technological inventions in these cases.

Most of the village poor are not in a position to select the technologies they need. This is due to their traditional approach towards life and the process of production they have practised over the centuries. Thus, in future, NGOs should not expect much in technology selection from the villagers; rather they could encourage the existing appropriate technologies and new technologies which would have sustainable use by the villagers and a sustainable effect on local progress.

### *Socio-cultural factors*

In transitional societies, socio-cultural factors may affect the sustainable progress of the society, especially where there exists competition between traditional practices

and a modern way of life (see for details Bista 1994), as is the case in Bangladesh, Nepal and elsewhere in South Asia.

In many South Asian societies, women's participation in development is weak due to several cultural and economic factors. While economic growth overall in Asia has admittedly led to some gains for a significant minority of women, the overall plight of Asian women remains unsatisfactory and unaddressed. This is the case also despite the ascendancy of some female prime ministers and presidents in the region. (Asian Development Bank 1994, 2) Bangladesh and Nepal are not exceptions. However many NGOs in the region were found to provide consistent support for strengthening the role of women in the formal political and administrative process in their country. In NGO-led development projects, the participation of women in development is on the increase, although they are not yet recognised as the mainstream of the economic life. Rather, in this study village women were still found to be very active in agricultural production in the region in contrast to more modern sectors of the economy. NGOs could further ensure women's participation in their projects. Their participation could be incorporated in such a way that the disadvantaged women can feel that their participation is meaningful for them and for the project. Merely symbolic participation does not contribute to a good level of project performance.

The excessive use of alcohol (raksi) among men is common in some Nepali villages, hindering their contribution to economic production and progress. Patriarchal families are common in the region; therefore, the excessive use of alcohol by male members has allowed families to fall into a disastrous condition in Nepal. NGOs could make their communities aware of the bad affect of alcohol in order to better sustain the progress of the village.

Riddel et al (1995, 56) suggest that to *review and assess* all initiatives funded against the achievement of sustainability does not necessarily mean that the future financial or institutional sustainability should in all cases be a *necessary* requirement for funding discrete projects or programmes. In particular, financial and institutional sustainability need to be pursued only on condition that, especially for the poor and where basic needs or services are being provided, the quality of, and access to, the basic goods or service provided will not be radically compromised. Where the goods or service provided is considered essential to the basic well-being of the beneficiaries, and where alternative funding cannot be found, the inability to achieve either financial or institutional sustainability should not constitute an impediment to funding such NGO initiatives.

Finally, good development initiatives by good NGOs, no doubt, deserve appreciation. NGOs could have better partnerships by developing a co-ordinated approach with other public and private agencies working in the region. It would avoid problems of overlapping with other agencies; it would help NGOs to avoid high service costs; and it would provide a possibility of sustaining their programmes with assistance from



other local agencies, especially government ones. At present, South Asian villagers depend on several local public, private, non-profit and traditional institutions for their everyday affairs. These local institutions have played a significant role in their lives over the decades. Over time, many such institutions (as outlined in earlier chapters) have remained sustainable in their institutional existence and continued to provide services. Compared to them, the development NGOs are the new actors in the region – starting their operations on a large scale only since the 1970s in Bangladesh and the 1990s in Nepal. Thus, it is up to the NGOs to learn and understand the essence of the sustainability of other agencies in the region in order to make their own initiatives sustainable.

### **6.3: THE DONOR, THE RECIPIENT AND THE CAPACITY OF NGOs: CONCLUDING REMARKS**

The central point of this research is the sustainability of NGO-led development initiatives. The previous analysis in the development literature of sustainability might have some complex elements and does not make the central concept easier for the academic community to understand. It was stated in the beginning that, for analytical purposes, three influential factors have been identified in this research that affect the sustainability of NGO-led development projects. In practice, these three factors are: **a.** *the overall and particular work environment of the NGOs in the target or recipient country;* **b.** *policy and the degree of commitment of the official donors and donor NGOs;* and **c.** *the overall management capacity of the operating NGOs.* From the above discussions, it can be concluded that the sustainability of NGO-led development largely depends on the above factors and these factors are interdependent. Apart from this, we should also view NGOs as part of a larger global economic and aid system. A proper analysis of the overall and particular environment of the project in the target or recipient country; policy and the commitment of the donor and donor NGOs; and an analysis of the administrative capacity of the concerned NGOs help to assess the sustainability of NGO-led development projects.

The study found that the *target country environment* is not necessarily hostile to the professional development of NGOs, rather government policies in Bangladesh and Nepal are quite supportive of the sector. The governments try to control NGO activities and such control also exists elsewhere in the world. However, control should not hinder the effectiveness of NGOs. There are problems with control which are not necessarily connected to the hostile attitude of the governments towards NGOs and their development approach. Those problems might be more connected to power, politics and poverty, e.g., corruption, prejudice, lack of awareness, illiteracy, etc. Some internal and external elite also benefit from these problems. Most likely not only the NGO sector, but also other institutions, i.e., in private and public sectors, are also equally facing these problems. The exercise of democracy in national politics is quite new in both countries; there exists an oligarchy to an extent which might create

problems for NGOs to function. In Nepal, development NGOs are quite new, thus it will take time for the state structures to respond to this new approach in development. After the rise and fall of NGO-government relations in the past, governments in both countries have accepted NGOs as development partners; but the future remains to be seen.

*Donor commitment* is the factor that has strengthened the growth of NGOs in developing countries and at the same time their lack of long-term commitment has also caused risks for the sustainability of this sector. Donor aid to NGOs is not a separate factor from global politics, aid policies, markets and civil society. Donors' ideological commitment is important in securing the sustainability of NGO-led development intervention. However, the political factors of aid, e.g., donors' interests, hidden agendas, etc. could always put sustainability at risk. The studied Nordic donor NGOs were found highly dependent on the Nordic official donors, e.g., DANIDA, the Department for International Development Co-operation of the Ministry for Foreign Affairs of Finland, NORAD and SIDA. No doubt, the studied donor NGOs are motivated and committed to the support they are providing to specific projects or to their partner organisations in Bangladesh and Nepal. Some small donor NGOs were found to work with good motivation and commitment. However, for small donor NGOs, it is difficult to raise 20 per cent of their own share in order to get the remaining 80 per cent from these official donors. Due to financial constraints, naturally their support becomes small compared to the big donor NGOs. In this case, also in the Nordic countries, a few big donor NGOs receive most of the official / state funding and dominate the NGO support programme of the official donors. The commitment of the donors still remains unclear to most of the studied NGOs in the field. Also to the official donors, the matter related to NGO support is a policy issue. None of the officials can exactly know in advance what the development aid policy will be in the coming years, despite the fact that the development support has been increasing over the last few decades in the Nordic countries. A certain degree of uncertainty is felt among the Southern NGOs about the donors' commitment – at least in Bangladesh and Nepal that is the case.

The *management capacity of NGOs* in both countries is weak. There does not even exist any major initiative by the donors or by the governments to improve the capacity of NGOs. Some big NGOs are doing well in their project management, but most are not managing well at all – like some other government or private agencies in the region. It is quite impossible to ensure sustainability without building a basic understanding of project management. Without proper management of NGO-led development projects, the NGO sector is also about to lose its believed comparative advantage in development management. As mentioned earlier, their comparative advantage has already been questioned in the aid literature. Fostering knowledge of project management among the NGO personnel could be an important step and strategic choice for the governments, donors, and NGOs in ensuring the sustainability of their projects. Providing basic knowledge on administration and management and

the factors of strategic management, i.e., project environment, strategy, structure and process, could be a good tool in the future development and sustainability of NGOs.

## **Conclusion**

The role of NGOs in the development process of least developed countries has increased dramatically in recent years. Although these organisations have always played a role in different solidarity work in both Western and non-Western worlds, their role in non-Western or least developed countries has been growing significantly since the 1970s. Restructuring policies of the donor institutions created an availability of funds for NGOs initiatives—which has certainly helped this enormous NGO growth in the development aid scenario. Due to economic or financial constraints, public services in developing countries are being downsized and NGOs are increasingly becoming involved in providing public services. (Vartola 2000, 3; Vartola 1998, 7) Bilateral, multilateral and other international donors are also emphasising NGO involvement in their development efforts in developing countries. The sector has been growing so rapidly that the academic research has not been able to properly follow and document their role in development.

It has been mentioned earlier that NGOs have a self-image that they are more participatory, dynamic, flexible, sustainable, cost-effective and poverty-oriented, as well as more innovative in development projects than the governments in developing countries. It is misleading to generalise these merits in NGO initiatives. Scholars also claim that actually the strength of the NGOs could in fact be the comparative disadvantage in operational terms, their commitment to values that might make them less efficient or competitive. (Tvedt 1998b, 128-136) In addition, there also exists evidence that NGOs are not necessarily better than the governments in the South—a generalisation which also could be misleading. If NGOs fail to achieve sustainability and better performance in their development initiatives, then NGO operations become irrelevant in development management. As there exists very little scientific research, neither conceptual nor empirical, on official assistance to NGOs, this study has vital importance to the current development discourse. Identifying the dynamics and drawbacks of the NGO sector largely depends on the future interest and ability of the academic community to study the sector properly.

## APPENDIXES

### Appendix 1 (Case Study I)

#### THE TEAM

An Evaluation Team composed of 9 members carried out the evaluation study. The members divided their duties and responsibilities according to the convenience of the field work. The team members are as follows:

Team Leader:

**Mr. Farhad Hossain**, Licentiate of Administrative Sciences. Research Fellow in the project ‘NGOs in Development’ at the University of Tampere, Finland.

Experts:

**Mr. Iqbal Ansary Khan**, MBBS and Master of Public Health. Lecturer at Sir Salimullah Medical College, Dhaka, Bangladesh.

**Mr. Marko Ulvila**, Master of Social Sciences (Sociology), Research Fellow in the project ‘NGOs in Development’ at the University of Tampere, Finland.

Members:

**Ms. Nargis Akhter**, Master of Social Sciences (Sociology). Doctoral candidate at the University of Tampere, Finland.

**Mr. Abul Khaer Mohammed Saifullah**, Master of Social Sciences (Public Administration). Post-Graduate Research Fellow and researcher in the project ‘NGOs in Development’ at the University of Dhaka, Bangladesh.

**Ms. Jesmin Akhter Khatun**, BA. Trainer, Sabalamby Unnayan Samity, Netrokona, Bangladesh.

**Ms. Jarna Pasanen**, student of Sociology, University of Joensuu, Finland.

**Ms. Mahmuda Akhter Rupa**, NFPE teacher, Sabalamby Unnayan Samity, Netrokona, Bangladesh.

**Mr. Masud Khan**, Assistant to the team, Madaripur, Bangladesh.

## Appendix 2 (Case Study I)

### WORK SCHEDULE

- Sat 12 Dec Arrival in Naogaon
- Sun 13 Dec Interviews of BLM-F staff health officials
- Mon 14 Dec To Musidpur, accommodation at Shisha FWC,  
· visit to Tilna FWC, interviews at the Bazar
- Tue 15 Dec In Musidpur  
· Interviews with 20 clients at the clinic and with the staff  
· Interview with the Porsha Thana Nirbahi Officer  
· Women's group in Shisha Kharpa Para (Map, Venn and Pair-wise)  
· Women's group in Shisha Dunga Para (Map, Venn and Pair-wise)  
· Men's group in Shisha Dunga Para (Map, Venn and Pair-wise)  
· Men's in Shisha (Map, Venn and Pair-wise)
- Wed 16 Dec In Musidpur  
· Women's group in Kharpa Uttar Para (Illnesses and Time-Trend)  
· Men's group in Kharpa Uttar Para (Illnesses and Time-Trend)
- Thu 17 Dec To Baoichondi, accommodation at the clinic  
· Interviews with 10 clients at the clinic and with the staff  
· Interviews at the Porsha Thana Health Complex  
· Women's group in Baoichandi Para (Map, Venn and Pair-wise)  
· Men's group in Baoichandi Muslim Para (Map, Venn and Pair-wise)
- Fri 18 Dec In Baoichondi  
· Interviews with 10 clients at the clinic  
· Women's group in Baoichondi Muchi Para (Illness and Time-Trend)  
· Men's group in Baoichondi Muchi Para (Illness and Time-Trend)  
Back to Naogaon town
- Sat 19 Dec Report writing at the BLM-F office
- Sun 20 Dec To Cheragpur, accommodation at the Nobojug Sangshad Club  
· Interviews with 20 clients and with the staff at the clinic  
· Interview with the DD-FP at Naogaon  
· Women's group in Dhanzoil Boruzan Para (Map, Venn, Pair-wise, Time-Trend)  
· Men's group in Dhanzoil Boruzan Para (Map, Venn, Pair-wise, Time-Trend)  
· Women's group in Bara Maheshpur Chaighati Para (Map, Venn, Pair-wise, Time-Trend)  
· Men's group in Bara Maheshpur (Map, Venn, Pair-wise, Time-Trend)
- Mon 21 Dec In Cheragpur  
· Women's group in Dhanzoil (Illness)  
· Men's group in Dhanzloi (Illness)  
Return to Naogaon Town
- Tue 22 Dec Report writing at BLM-F office  
Briefing on preliminary findings and recommendations at the office
- Wed 23 Dec Return travel

## Appendix 3 (Case Study I)

### LIST OF PEOPLE INTERVIEWED (Besides the PRA groups)

#### BLM-F

Mr. Aatu Gröhn, Chairperson  
Ms. Aili Maria Manninen, Project Director, Health Project  
Mr. Chandon Soren, Administrator  
Mr. Augustine Richil, Project Officer, Health Project  
Mr. Motilal Murmu, Coordinator, Functional Education Programme

#### Musidpur FWC

Mr. Moksed Ali, SACMO  
Mr. Md. Elias Hossain, Service Assistant in TB

#### Porsha Thana

Mr. Abdul Mannan Chowdhury, Musidpur Union Parishad Chairman  
Mr. Rafiqul Islam, Thana Nirbahi Officer  
Mr. Shobuz, Tilna FWC SACMO  
Shofiur Rahman, Assistant Thana Family Planning Officer  
Medical practitioners at Shisha bazar.

#### Baiochondi Clinic

Mr. Timothy Soren, Clinic-in-Charge  
Ms. Kulsum Nahar, Nurse/Midwife

#### Hazinagor Union

Mr. Mozaffar Hossain Rana, leader of landless workers' union  
Medical Practitioners at Shibpur Bazar

#### Cheragpur FWC

Family Welfare Visitor

#### Mohadevpur Thana

Mr. Shibnath Mishra, Secretary, Nobojug Sangshad Club.  
Medical practitioners at Dhanjoil Bazar.

#### Naogaon District

Dr. Abdullah Hashmi, Civil Surgeon  
Dr. Md. ATM Shahjahan Ali, Deputy Civil Surgeon  
Mr. Md Enus Deputy Director - Family Planning  
Mr. Paritosh Chondro Paul, Assistant Director - Clinical Contraception

## Appendix 1 (Case Study II)

### *Pair-wise ranking of the main institutions by a group of men*

1. Government schools (6)
2. Mosque Shalish (5)
3. Private physicians (4)
4. Village Shalish (3)
5. Biswhanathpur Market (2)
6. Sonali Bank (1)
7. Sabalamby Unnayan Samity (0)

Note: The score is indicated in brackets. *Shalish* is a local institution composed of prominent members of the community to settle disputes and to decide over common matters.

### *Pair-wise ranking of the educational programmes by a group of Hindu women*

1. SUS NFPE (4)
2. Government schools (3)
3. Netrokona colleges (2)
4. TLM (1)
5. Maktab (0)

### *Pair-wise ranking of the educational programmes by a group of men*

1. Government Schools (MOE) (4)
2. TLM (3)
3. College (2)
4. Maktab (1)
5. SUS NFPE (0)

## ACRONYMS AND ABBREVIATIONS

AD (CC)	Assistant Director (Clinical Contraception), Bangladesh
ADAB	Association of Development Agencies in Bangladesh
ADB	Asian Development Bank
Adibashi	Aborigine
AHI	Assistant Health Inspector, Bangladesh
ALC	Adult Literacy Class
ALH	Anandaban Leprosy Hospital
ARI	Acute Respiratory Infection
ASC	Agriculture Service Center, Nepal
ASPA	American Society for Public Administration
ATFPO	Assistant Thana Family Planning Officer, Bangladesh
AWMR	Association for the Welfare of the Mentally Retarded, Bangladesh
AYA	Female Office Assistant, Bangladesh
BASE	Backward Society Education
Bazar/Bazaar	Market place
BDT	Bangladeshi Taka
BIDS	Bangladesh Institute of Development Studies
BLM	Bangladesh Lutheran Mission
BLM-F	Bangladesh Lutheran Mission-Finnish
BRAC	Bangladesh Rural Advancement Committee
BRDB	Bangladesh Rural Development Board
CAFOD	Catholic Fund for Overseas Development
CAG	Comparative Administration Group
CARE	Co-operative for Assistance and Relief Everywhere
CBS	Central Bureau of Statistics, Nepal
CCO	Canadian Co-operation Office
CDC	Communicable Disease Control
CDD	Control of Diarrhoeal Diseases
CDO	Chief District Officer, Nepal
CHS	Community Health Services
CMD	Center for Management Development, BRAC
COSAN	Community Support Association of Nepal
CPN/UML	Nepal Communist Party United Marxist Leninist
CRWRC	Christian Reformed World Relief Committee
CSD	Centre for Self-help Development
CSO	Civil Service Organisations
CSYC	Chandra Smriti Youth Club
DAC	Development Assistance Committee
Dai	Traditional Birth Attendants
DANIDA	Danish International Development Assistance
DCOs	Development Co-operation Offices
DD	Deputy Director
DDC	District Development Committee, Nepal
DD-FP	Deputy Director – Family Planning, Bangladesh
Dhami	Faith healers in Nepal
Dhami/Jhakri	Name of local faith healers in Nepal



DKK	Danish Kroner
DONGOs	Donor Organised NGOs
DPI	Disabled People's International
EC	Executive Committee
EOC	Emergency Obstetric Care
EPI	Expanded Programme on Immunisation
EU	European Union
FAO	Food and Agriculture Organization
FAP	Flood Action Plan
FDA	Foreign Donor Agency
FDC	Fish Development Center, Nepal
FIM	Finnish Markka
FINNIDA	Finnish International Development Agency <sup>1</sup>
FKN	Folkekirkens Nodhjaelp
FLM	Finnish Leprosy Mission
FLOM	Finnish Lutheran Overseas Mission
FNGOs	Finnish Non-Governmental Organisations
FNGO-SP	Finnish NGO Support Programme
FoEI	Friends of the Earth International
FP	Family Planning
FPI	Family planning Inspector, Bangladesh
FUG	Forest Users' Group, Nepal
FUS	Fagbevaegelsens U-landssekretariat
FWA	Family Welfare Assistant
FWC	Family Welfare Center, Bangladesh
FVS	Finnish Volunteer Service
FWV	Family Welfare Visitor
Gaun	Village (also can be the cluster of a village)
GDP	Gross Domestic Product
GNP	Gross National Product
GOB	Government of Bangladesh
GOP	Government of Pakistan
GONGO	Government Organised NGOs
GRO	Grassroots Organisation
GSS	Gono Shahajja Sangstha
Guruba	Traditional medical practitioner in Nepal
HA	Health Assistant
HAPP-5	Fifth Health and Population Programme, Bangladesh
HFWC	Health and Family Welfare Center, Bangladesh
HI	Health Inspector
HMG/N	His Majesty's Government of Nepal
ICA	International Co-operative Alliance
ICDDR-B	International Centre for Diarrhoeal Disease Research-Bangladesh
IFA	Indrasarobar Fish farmers' Association
IIRR	International Institute of Rural Reconstruction
Ilaka	Area or region
IMF	International Monetary Fund

<sup>1</sup> The Government of Finland no longer uses the abbreviation FINNIDA but the whole written name Department for International Development Cooperation, Ministry for Foreign Affairs of Finland. FINNIDA is still used in many places of this study for convenience.

IMR	Infant Mortality Rate
INGO	International NGOs
IPS	Inter Press Service
IRDP	Integrated Rural Development Programme
IWTC	International Women's Tribune Center
IYC	Indrasarobar Youth Club
Janne	Faith healers in Nepal
Jhakri	Faith healers in Nepal
Jharfook	Faith healing practice in Bangladesh
Kamaiya	Bonded labour in Nepal
KEPA	Kehitysyhteistyön Palvelukeskus (Finnish Service Centre for Development Co-operation)
Kishori	Adolescent girls
KSS	Krishak Samabaya Samiti (Farmer's Cooperatives)
Madrasha	Islamic school
Maktab	Mosque based religious school
Mandir	Hindu temple
Marda/Parda	In funeral and in other happy occasions (Nepal)
Matam	Head of the Tharu village / community in Nepal
MBBS	Bachelor of Medicine and Bachelor of Surgery
MCC	Mennonite Central Committee
MCH	Maternal and Child Health
MLAA	Madaripur Legal Aid Association
MMR	Maternal Mortality Ratio
MO	Medical Officer
MoHFW	Ministry of Health and Family Welfare, Bangladesh
MOs	Membership Organisation
MR	Mental Retardation
MS	Danish Association for International Co-operation
NASPAA	National Association of Schools of Public Affairs and Administration
NFPE	Non-formal primary education
NFPE	Non-Formal Primary Education
NFPU	Norsk Forbund for Psykisk Utviklingshemmede
NFU	Norwegian Association for Mentally Handicapped (renamed in 1997 from NFPU)
NGDO	Non-governmental Development Organisation
NGOs	Non-governmental Organisations
NIDP	Netrokona Integrated Development Project
NNGOs	Northern NGOs
NOK	Norwegian Kroner
NORAD	Norwegian Agency for Development Co-operation
NPO	Non-profit Organisation
NPR	Nepali Rupee (currency)
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
Ojha	Snake charmer and faith healer
PACT	Private Agencies Collaboration
Panchayat	Former party-less political system in Nepal (introduced in 1961)
Para	Cluster of a village
Paurashava	Municipality, Bangladesh

PCO	Public Telephone Office, Nepal
PHC	Primary Health Care
PO	People's Organisation
PRA	Participatory Rural Appraisal
PSC	Public Service Contractor
PVDO	Private Voluntary Development Organisation
PVO	Private Voluntary Organisation
Raksi	Name of the locally made alcohol in Nepali villages
RDB	Rural Development Bank, Nepal
RDRS	Rangpur Dinajpur Rural Service
RMO	Resident Medical Officer, Bangladesh
RPP	Rastiya Prajatantra Party, Nepal
RWP	Rural Works Programme
SAARC	South Asian Association for Regional Co-operation
SACMO	Sub Assistant Community Medical Officer, Bangladesh
SAP	South Asia Partnership
SCEMRB	Society for Care and Education of the Mentally Retarded, Bangladesh
SCSF	Special Cooperative Societies Federation
SEK	Swedish Kroner
SFDP	Small Farmers' Development Programme, Nepal
Shalish	Mitigation (dispute solution)
SIDA	Swedish International Development Authority
SNGOs	Southern NGOs
SNV	Netherlands Development Organization
SSNCC	Social Service National Coordination Council
SUPER	Social Upgrade in Progress of Education Region
SUS	Sabalambay Unnayan Samity
SWC	Social Welfare Council, Nepal
SYC	Satteswari Youth Club
Taka	Bangladeshi Taka (BDT)
Tamang	An indigenous ethnic group in Nepal
Tarai	Plain land, Nepal
TB	Tuberculosis
TBA	Traditional Birth Attendant
TCCA	Thana Central Cooperative Association
TFPO	Thana Family Planning Officer
TGA	Tamang Ghedung Sang
Thana	Sub-district, Bangladesh
Tharu	An indigenous ethnic group in Nepal
Tharu	An indigenous ethnic group in Nepal
THC	Thana Health Complex, Bangladesh
THFPO	Thana Health and Family Planning Officer, Bangladesh
TIP	Thana Irrigation Programme, Bangladesh
TLM	Total Literacy Movement (of the Ministry of Education, Bangladesh)
TTDC	Thana Training and Development Center, Bangladesh
UCEP	Underprivileged Children's Education Programs
UHFWC	Union Health and Family Welfare center, Bangladesh
UK	United Kingdom
UMN	United Mission to Nepal
UN	United Nations

UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNICEF	United Nations Children's Fund
UP	Union Parishad, Bangladesh
USA	United States of America
USAID	United States Agency for International Development
USC	Union Sub Centre
USD / US\$	US Dollar
VALHAL	Finnish National Doctoral Graduate School Consortium in the Administrative Sciences
VC	Veterinary Center, Nepal
VDC	Village Development Committee, Nepal
VHSS	Voluntary Health Services Society
Vitri Madhesh	Inner plain land surrounded by hills, Nepal
VO	Voluntary Organisation
Ward	A ward is one of the nine clusters of each VDC in Nepal
WHO	World Health Organisation
WWF	World Wide Fund for Nature
Zamindar	Landlord

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