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Increasing NGO Role in Health Service Delivery: A Review of Key Challenges for Pakistan and Developing Countries

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Introduction

Recent years have seen an upsurge in international donor interest for promotion of NGOs as preferred providers to replace government delivery of social services in developing countries, particularly in the health care sector.[1] This has been driven by an increasing research consensus over the years on the poor quality of government services, inability to reach those most in need as well as centralized and slow moving systems with weak planning and loose monitoring.[2] Issues of dubious quality of care and high cost margins associated with the private commercial sector have driven recent policy attention to the role of the NGO sector credited with client commitment, a non-profit nature and better quality of care.[3] In Pakistan, this has involved increased donor

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1 K. Buse, G. Walt, 'Global public-private health partnerships: Part II – what are the issues for global governance?' *Bulletin of the World Health Organization*, 78:5 (2000), pp 699-709; 'Program of Action Adopted at the International Conference on Population and Development, Cairo, 5-13 September 1994'. Department for Economic and Social Information and Policy Analysis, United Nations, New York; 'World Development Report 1993: Investing in Health'. The World Bank, Washington DC, Oxford University Press, 1993; 'World Development Report 1997: The State in a Changing World'. The World Bank, Washington DC, Oxford University Press, June 1997.

2 A Cassels, 'Health Sector Reform; Key Issues in Developed Countries'. *Journal of International Development*, 7:3 (1995), pp.329-47; MS Grindle, 'Good Enough Governance: Poverty Reduction and Reform in Developing Countries', *Governance*, 14:4 (2004), pp.525-48; A Mills 'Government Purchase of Private Services'. in *Private health providers in developing countries: serving the public interest?* (eds.) S. Bennett, B. McPake, *A Mills* (London: Zed Books, 1997); JP Unger, P. Criel, Principles of health infrastructure planning in less developed countries', *International Journal of Health Planning and Management*, 10:2 (1995), pp.113-28.

3 M. Edwards, D. Hulme, *Beyond the Magic Bullet: NGO Performance and Accountability in the Post-Cold War World* (West Hartford: Kumarian

funding to NGOs over the last two decades in the areas of population control, maternal and child health care, control of malaria tuberculosis and common infectious diseases at the primary care level.[4] More recently there has been a growing focus on contracting out of government health care services to the NGO sector. This has included wide scale contracting out of government basic health units in Punjab to the NGO sector under the Chief Minister's initiative with proposal for country wide replication.[5] Furthermore wide scale contracting out of NGOs is also being undertaken as part of the government's new HIV prevention program with interest to kick start contracting out of other preventive care services.[6]

This paper draws on evidence from the larger social sector and the health care setting to identify factors that can impede or support successful NGO delivery of health care services. It summarizes key insights, outlines research gaps and unanswered questions and proposes policy implications on use of NGOs for developing country settings such as Pakistan.

Methods and data sources

NGO policy research and standardized assessments of NGOs are an emerging area particularly within the health care sector in developing countries. Existing evidence comprises a heterogeneous set of articles, books and reports only some of which is analytical while others are rough and impressionistic. This paper involved a comprehensive and systematic review of both peer reviewed and 'grey' literature. Sources examined included peer reviewed online databases such as Web of Science, Athens and Pub Med while non-peer reviewed sources included

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Press, 1996); A. Green, A. Matthias, *Non-Governmental Organizations and Health in Developing Countries* (London: Macmillan Press Ltd, 1997); N Palmer, L. Strong, A. Wali, E. Sondorp, 'Contracting out health services in fragile states', *British Medical Journal*, Vol.332, 2006, pp.718-22.

4 S. Shakil, 'Analysis of the Experience of Government Partnerships with Non-Government Organizations', Multi-donor Support Unit, World Bank Mission, Islamabad, 2002.

5 World Bank, 'Partnering with NGOs to Strengthen Management: An External Evaluation of the Chief Minister's Initiative on Primary Health Care in Pakistan', Report 13, South Asian Human Development Sector, The World Bank, March 2006.

6 'Enhanced HIV/AIDS Control Program: Summary of the PC 1 covering Ministry of Health, four provinces and AJK'. National AIDS Control Program, Ministry of Health, Government of Pakistan, Islamabad, September 2002.

Google Scholar as well as 'grey' literature including technical appraisal reports of NGO initiatives particularly from Asia, available reports on the NGO market and background policy documents.

What are NGOs?

The term non-government organization essentially covers both profit making and non-profit making organizations. It is increasingly associated with non-profit making organizations marking a recent but distinct separation from the private commercial sector. The rapid growth of non-profit organizations over the past two decades is commonly referred to as the emergence of a 'third sector' in addition to the more commonly known state and private sectors.[7] However due to the pluralistic mix of organizations found within the NGO sector it is difficult to apply a cast iron definition of NGOs. The practical definition of 'NGO' thereby tends to vary across international bodies and local country contexts.

Common features associated with an NGO include a non-governmental background with a formally organized structure, a focus on development, a non-profit orientation and involving voluntarism in some respect.[8] On an operational level voluntarism can be in the form of an honorary board, trust or committee governing NGO operations or operational reliance on volunteers for activities and is used to distinguish NGOs from profit oriented organizations.[9] Increasingly NGOs are considered to represent a civil society voice particularly in the context of low income countries having under developed democracies where NGOs being closer to the ground are in a position to advocate community needs for policy attention and pioneer responsive ways for the delivery of social services.[10] The civil society emphasis also further complicates the definition of NGOs. Thus as opposed to mere delivery of services as expected also from the private commercial sector, there is in addition a distinct emphasis on ideological orientation, credible links to community based on two way dialogue and social activism to resolve issues.

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7 M. Lyon, S. Hasan, 'Researching Asia's Third Sector'. *Voluntas*, International Journal of Voluntary and Non-profit Organizations, 13:2, 2002.

8 A. Green, A Matthias, *op.cit.*

9 M.A. Ambegaokar. 'Donor Support to NGOs in Reproductive Health: Research Issues in Governance and Policy'. Research Paper, Centre for Population Studies, London School of Hygiene and Tropical Medicine, 2001.

10 M. Edwards, D. Hulme, *op.cit.*; A. Fowler 'Assessing NGO performance: difficulties, dilemmas and a way ahead,' in *NGO Management*, M Edwards and A. Fowler (eds.) (London: Earthscan Publications, 2002).

High policy interest for NGO engagement

The last decade has seen significant increase in policy attention to role of the NGO sector at both policy and operational level. Upsurge in international policy attention to NGOs during the past decade is described as a 'New Policy Agenda' with promotion of NGO involvement promoted as a 'magic bullet' for overcoming quality and access gaps in the social sector.[11] Within the health area in particular there has been considerable movement towards promoting NGOs for health care delivery. Reasons for promotion of NGOs in the health care sector are multiple and linked with both their organizational and ideological characteristics. NGOs are credited commonly as being in a position to provide better coverage of services through their access to remote underserved areas as well as links to marginalized population groups such as women, people suffering from stigmatized issues such as HIV/AIDS or leprosy, or those with having a quasi-legal status such as drug users or prisoners. Ideological commitment to clients and non-profit nature is believed to result in superior quality, client centered and transparent services. Furthermore, NGOs are considered to have the organizational flexibility to both act quickly as well as to pioneer innovative interventions.[12] Finally, association of NGOs with larger poverty and illiteracy issues is considered to place them in a better position to address the multi-faceted issues underlying ill-health in developing countries.

Support for NGOs in health care has been reflected in the charter of the World Health Organization and UN agencies as well as interactional advocacy groups. It is also emphasized through funding assistance with the World Bank is the largest United Nations agency providing funding for NGOs while key bilateral agencies such as USAID and DFID have up-scaled funding for NGO activities.[13] Traditional

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11 M. Edwards, D. Hulme, *op.cit.*

12 Fourth World Conference on Women: Declaration and Platform for Action, Beijing, 4-5 September 1995; 'Program of Action Adopted at the International Conference on Population and Development, Cairo, 5-13 September 1994', *op.cit*., 'Intensifying HIV prevention: a UNAIDS policy position Paper'. Geneva Joint United Nations Program on HIV/AIDS, 2005.

13 'PEPFAR and the fight against HIV/AIDS', *The Lancet*, Vol.369, 2007, p. 1141; S.H. Mayhew, M.A. Ambegaokar, 'Donor Support to the NGO Sector: an Analysis of the EC/UNFPA Initiative for Reproductive Health in Asia', Research Report for DFID Knowledge Program, London School of Hygiene & Tropical Medicine, April 2002; S.H. Mayhew, 'Donor dealings: the impact of international donor aid on sexual and reproductive health

support had involved direct flow of donor aid directly to NGOs with NGO provision intended to supplement government health care provision. More recently there has been an impetus to replace government service provision with NGOs as alternate providers. Government contracts with NGOs have involved primary health care services in Bangladesh, TB control in India, hospital services in Sub-Saharan Africa, community nutrition in Madagascar & Senegal as well as recent HIV prevention services in India, Bangladesh and Pakistan.[14] In fragile states having wide coverage gaps as well as weak service delivery there has also been wide scale contracting out of general clinical services to the NGO sector as part of donor assisted health system improvement measures. Argument for NGO provision has been based in a quick roll out of services as well as good quality care to counter weaknesses in government sector provision. In Cambodia district health services including hospital services have been contracted out to NGOs while in Afghanistan there has been extensive contracting out of primary health care services to the NGO sector.[15] More locally in Pakistan the growing criticism of public sector failure in delivery of basic services has led to cropping up of numerous NGO funded health care projects as well as a policy push for contracting out of government frontline services to the NGO sector.[16]

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services', *International Family Planning Perspectives*, 8:4 (2002), pp.220-24.

14 L. Gilson, J. Adusei, D. Arhim, C. Hongoro, *et.al*., 'Should African governments contract out clinical health services to church providers?' in *Private health providers in developing countries: serving the public interest?* S. Bennett, B. McPake and A. Mills (London: Zed Books, 1997) (eds.); B. Loevinsohn, A. Harding, 'Buying results? Contracting for health service delivery in developing countries', *The Lancet*, Vol.366, 2005, pp.676-681; B. McPake, C. Hongoro, 'Contracting out of clinical services in Zimbabwe', *Social Science and Medicine*, 41:1 (1995), pp.13-24.

15 N. Palmer, L. Strong, A. Wali, E. Sondorp, 'Contracting out health services in fragile states', *British Medical Journal*, Vol.332, 2006, pp.718-22; S. Soeters, F. Griffiths, 'Improving government health services through contract management: a case from Cambodia', *Health Policy and Planning*, 18:1 (2003), pp.74-83.

16 S. Zaidi, S.H. Mayhew, 'A Policy Analysis of Public Private Partnerships for HIV Prevention: A Country Case Study from Pakistan', *Research Report*, London School of Hygiene and Tropical Medicine, Interact Worldwide UK and European Commission, Geneva, Forthcoming November 2007; S. Shakil, *op.cit.*

Diverse rationales for NGO promotion

Despite the high level of international support for NGOs, the underlying rationale varies across ideologically diverse actors which can potentially lead to diverse and conflicting interpretation of NGO role at the local implementation level. Broadly there are two important policy stances. One perspective considering NGOs as representatives of civil society, in particular of marginalized populations, was put in international policy focus by the International Conference on Population and Development [ICPD]1994 and the 1995 Beijing Conference on Women earmarking a frontline role of NGOs for pioneering community issues and implementing responsive and innovative approaches.[17] The stance draws support from liberal democratic theories and emphasizes NGOs as facilitators of client voice and of participatory and empowering responses. The view of NGOs as civil society representatives has since been furthered by international advocacy groups promoting rights based approaches and by international political forums such as the European Union for indirect strengthening of democracy.[18] Another perspective highlights NGOs as alternate and preferred service providers to replace weak government provision in developing countries.[19] This envisages a more mainstream and traditional service provision role for NGOs and is based on perception of better quality of NGO services. In addition some donors tend to bracket NGOs as part of the larger private sector with assumption of lower costs of service delivery with policy attention being led by the World Bank and Asian Development Bank and borrowing from institutional reform measures at improving public sector governance.[20] Both policy perspectives have as yet little empirical evidence to support them but form important standpoints for promotion of NGOs in developing countries.[21]

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17 Fourth World Conference on Women: Declaration and Platform for Action, *op.cit.*, Beijing; 'Program of Action Adopted at the International Conference on Population and Development, Cairo, *op.cit.*

18 M. Edwards, D. Hulme, *op.cit.*; B. Ever, M. Juarez, 'Globalization, Health Sector Reform, Gender and Reproductive Health'. Draft paper for the Reproductive Health Affinity Group Meeting, Ford Foundation, Luxor October 2000; A Langer, G Nigenda, J Catino, 'Health Sector Reform and Links', *Bulletin of the World Health Organization*, 78:5 (2000), pp.667-76.

19 R. Taylor, 'Contracting for Health Services,' in *Public Participation in Health Services,* A. Harding (ed.), Human Development Network, World Bank, 2003.

20 'World Development Report 1993, *op.cit*.

21 M. Edwards, D. Hulme, *op.cit.*; A. Fowler, *op.cit*; A. Green, A. Matthias, *op.cit.*

The NGO market: issues of plurality & data gaps

In contrast to increasing volume of data on the private health sector,[22] policy research is limited on the effectiveness of the NGO sector and organizational attributes of NGOs that enhance or restrict their effectiveness. Available evidence is mainly 'rough and impressionistic' largely drawn from individual case studies and grey literature and there has been little systematic effort to measure the performance of NGOs in reduction of mortality and morbidity as compared to the government sector. A review of available evidence shows that NGOs tend to work better than governments in terms of both cost and coverage of health care, though often less well than popularly credited.[23] In terms of coverage NGOs usually work with poor and vulnerable groups though many fail to reach the most vulnerable and tend to cluster in easier regions leaving others to fend for themselves.[24] On the quality and cost aspects NGOs have shown mixed results. With health care being a specialized commodity many developing country NGOs have struggled with infrastructure for health care services and lacked access to training programs and treatment protocols commonly available but poorly implemented in the government health sector.[25] However NGOs have

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22 P. Berman, 'Organization of ambulatory health care provision: a critical determinant of health system performance in developing countries', *Bulletin of the World Health Organization*, 78:6 (2000), pp.791-802; R. Brugha, A. Zwi, 'Improving the quality of privately provided health care in low and middle income countries: challenges and strategies', Health Policy and Planning, 13:3 (1998), pp.107-20; W. New Brander & Moser, Private health sector growth in Asia: an introduction,' in *Private Health Sector Growth in Asia Issues and Implications* (eds.), W. Newbrander, John Wiley & Sons, 1997; P. Berman, L. Rose, 'The role of private providers in maternal and child and family planning services in developing countries', *Health Policy and Planning*, Vol.11, 1996, pp.142-45.

23 M Edwards, D Hulme, *op.cit.*; A. Fowler, *op.cit*.; S.A. Zaidi 'NGO failure and need to bring back the state', *Journal of International Development*, 11:2 (1999), pp.259-271.

24 M. Ainsworth, C. Beyrer, A. Soucat, 'AIDS and public policy: the lessons and challenges of success in Thailand', *Health Policy*, Vol.64, 2003, pp.13-37; A. Green, A. Matthias, *op.cit.*; N. Palmer, L. Strong, A. Wali, E. Sondorp, 'Contracting out health services in fragile states', *British Medical Journal*, Vol.332, 2006, pp.718-22.

25 K. Afsana, S.F. Rashid, 'Challenges of meeting rural Bangladeshi women's need in delivering care', *Reproductive Health Matters*, 9:18 (2001), pp.79-89; R. Brugha, A. Zwi, *op.cit*.; 'Baseline Study: Organizational Assessment of HIV/AIDS Consortia and Their Membership', conducted by Arjumand &

been known to perform better on structural aspects such as cleanliness and maintenance, are reported to have friendlier attitudes, greater privacy and lower waiting times than government programs and a better availability of medicines and supplies.[26] Furthermore they tend to have more comprehensive service programs inclusive of preventive and promotive elements as opposed to concentration on clinical care.[27] At the same time available evidence suggests that production costs of NGOs are generally higher raising questions of financial accessibility for the really poor.[28]

In addition to mixed results and lack of sufficient standardized evidence on NGOs performance, the plurality of the NGO market further complicates the predictability of NGOs as appropriate and responsive providers of health services. A common finding across different country settings is that the NGO sector is extremely pluralistic and varies in terms of organizational size, expertise and ideology.[29]

NGOs can differ in terms of scale and scope of operations which can be extensive spanning a number of countries as in the case of International NGOs, country wide in the case of National NGOs or confined to a small local area within a country as in the case of

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Associates, commissioned by Interact Worldwide, UK, August 2004; World Bank, 'Partnering with NGOs to Strengthen Management: An External Evaluation of the Chief Minister's Initiative on Primary Health Care in Pakistan'. Report 13, South Asian Human Development Sector, The World Bank, March 2006.

26 J.C. Bhatia, J. Cleland, 'Health care seeking and expenditure by young mothers in the public and private sectors', Health Policy & Planning, 16:1, 2001, pp.55-61; R. Brugha, A. Zwi, *op.cit.*; L. Gilson, J. Adusei, D. Arhim, C. Hongoro, *et.al., op.cit.*; A. Langer, G. Nigenda, J. Catino, *op.cit.*, pp.667-76.

27 L. Gilson, P.D. Sen, S Mohammed, P Mujinja. 'The Potential of Health Sector Non-Governmental Organizations: Policy Options', *Health Policy and Planning*, 9:1 (1994), pp.14-24.

28 S. Nahar, A. Costello, 'The hidden costs of free maternity care in Dhaka, Bangladesh', *Health Policy and Planning*, 13:4 (1998), pp.417-22; R.S. Schuller, L.M. Bates, K. Islam, 'Paying for reproductive health services in Bangladesh: intersections between cost, quality and culture', *Health Policy and Planning*, 17:3 (2002), pp.273-80; S.R. Smith, M. Lipsky, *Non-Profits for Hire: the Welfare state in the Age of Contracting*, Harvard University Press, 1993.

29 A. Green, A. Matthias, *op.cit.*; M. Lyon, S. Hasan, *op.cit.*; S.A. Zaidi 'NGO failure and need to bring back the state', *Journal of International Development*, 11:2 (1999), pp.259-71.

Community Based Organizations.[30] Thus some NGOs are sophisticated bodies with potential for wide scale coverage and have considerable program management skills. These NGOs can bring about a quick roll out of services through their expanded infrastructure and the addition of new areas poses little in terms of cost and experience. Other NGOs are organizationally less developed with limited coverage as well as management experience. Their advantage is in being located deep within poorly accessible areas or having links with marginalized groups as drug users, street children or AIDS patients but are often short in term of technical and professional skills. While many small to medium scaled developing country NGOs, have a need for adoption of professional management practices, researchers caution against emphasis on excessive professionalization. This has been found to be organizationally burdensome reducing the speed and flexibility of responses and consuming a high proportion of expenses.[31] Moreover an excessive emphasis on verticality and audit raises concerns of diverting from NGO mission and character.[32]

NGOs also differ in terms of governance practices and this in turn has implications for transparency in service delivery and responsiveness to client needs both of which being two key characteristics attributed to NGOs. Governance practices have been found to be affected by the nature of decision-making structures within the NGOs as well as the presence of necessary technical skills for adequate record keeping and documentation. While some NGOs have a horizontal membership based decision making structure and are considered to be more democratic and closer to community needs others are guided by more top down structures such as trusts or board of directors for decision making and considered to be more vulnerable to external interests.[33] Evidence from the field also underscores the value of organized and formal governance practices for financial and managerial transparency. Slow utilization of

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30 M. Edwards, D. Hulme, *op.cit.*

31 R.D. Herman, D.O. Renz, 'Nonprofit Organizational Effectiveness: Contrasts Between Especially Effective and Less Effective Organizations', *Nonprofit Management & Leadership*, 9:1 (1998), pp.23-38; S.R. Smith, M. Lipsky *op.cit*.

32 I. Cherret, P. O'Keefe, A. Heidenreich, P. Middlebrook 'Re-defining the roles of environmental NGOs in Africa'. *Development in Practice*, 5:1 (1995), pp.26-35; S.M. Roberts, J.P. Jones, O. Frohling, 'NGOs and the Globalization of Managerialism: A Research Framework', *World Development*, 33:11 (2005), pp.1845-64.

33 M.A. Ambegaokar, *op.cit.*, I. Cherret, P. O'Keefe, A. Heidenreich, P. Middlebrook, *op.cit.*

funds by NGOs due to poor financial absorptive capacity as well as poor documentation and accounting skills have led to transparency concerns and are issues more commonly found in small NGOs as opposed to larger more equipped organizations.[34] Hence, governance practices through decision making structures are linked to client representation and responsiveness of services while a combination of adequate skills and decision making systems has been associated with transparency of NGO activities.

Ideological background of NGOs has also been found to affect the type of approach taken for delivery of services and the depth of downward accountability to clients.[35] NGOs are categorized on the basis of approach into grassroot organization, charity based NGOs and professional NGOs. Grassroot organizations are considered to share certain characteristics such as ideological commitment, activism amongst key personnel, and membership based structures usually representing recipient groups. These are credited with 'insider knowledge', access to vulnerable populations, and flexibility to respond to local context.[36] At the same time they are often hampered by lack of managerial skills and sufficient technical expertise for health service delivery.[37] In contrast professional NGOs comprise professionals rather than activists and have a centralized decision making structure. Professional NGOs are usually well resourced with staff, infrastructure and training but can have limited 'insider' knowledge and access to targeted populations. Moreover, while in theory they may share ideological goals with grassroot organizations, their legitimacy is often based on generating a targeted result with a donor agency.[38] In between the two extremes, are the charity based

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34 L. Gilson, P.D. Sen, S. Mohammed, P. Mujinja, *op.cit*.; R.D. Herman, D.O. Renz, *op.cit*.

35 I. Cherret, P. O'Keefe, A. Heidenreich, P. Middlebrook, *op.cit.*; M. Edwards, 'NGO Performance – What Breeds Success? New Ebidence from South Asia', *World Development*, 27:2 (1999), pp.361-74; P. Kilby, 'Accountability for Empowerment: Dilemmas Facing Non-Governmental Organizations', *World Development*, 34:6 (2006), pp.951-63.

36 I. Cherret, P. O'Keefe, A. Heidenreich, P. Middlebrook, *ibid.*; A. Hadenius, F. Uggla, 'Making civil society work, promoting democratic development: what can states and donors do?' *World Development*, 24:10 (1996), pp.1621-39.

37 'Baseline study: Organizational assessment of HIV/AIDS consortia and their membership', *op.cit.*

38 S. Rahman, 'Development, Democracy and the NGO Sector Theory and Evidence from Bangladesh'm *Journal of Developing Societies*, 22:4 (2006), pp.451–73; S. Zaidi, S.H. Mayhew, *op.cit*.

NGOs which form the oldest prototype of non-profit organizations. These usually have a formal trust based structure and are ideologically committed to a philanthropic mission. However charity NGOs while often filling in service gaps to the poor and needy have usually been associated with more conservative top down approaches to health care delivery overlooking client participation in programming and monitoring of services.[39]

The plurality of the NGO sector suggests that appropriateness of health care delivery may not be uniform across all categories of NGOs. NGOs with on ground links can often be deficient in terms of technical expertise and program management skills while those with professional practices and resources may be top down and less responsive services and be poorly accountable to clients. Furthermore, researchers have cautioned that categorizations may often be blurred and overlapping in reality thus making it difficult to predict any one type of category of NGOs as more suited for health care delivery. Hence there is need for caution against blanket promotion of NGOs given the plurality of capacities and agendas and the largely untested performance as service providers.

The civil society context

In addition to internal organizational factors connected with NGOs, researchers also point to role of external factors in influencing the appropriateness of NGO delivery of services.[40] The advocated superiority of NGOs in terms of client commitment and responsiveness to on the ground needs is based on the premise of NGOs as independent entities having power to vocalize issues and shape flexible and responsive interventions. The significance of the external environment is hence linked with the facilitation or restriction of NGO independence in achieving its mission and goals. While the above section dealt with organizational factors such as technical capacities and approaches of NGOs this section explores the background policy context in which NGOs operate and its role in determining the vibrancy and independence of the NGO sector.

The NGO sector in developed countries has commonly been associated with a high level of societal voluntarism as well as relative

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39 S.H. Mayhew, M.A. Ambegaokar, *op.cit.*

40 M. Edwards, D. Hulme, *op.cit.*; M. Edwards, *op.cit.*; S.H. Mayhew, 'Hegemony, Politics and Ideology: The Role of Legislation in NGO-Government Relations in Asia', *Journal of Development Studies*, 41:5 (2005), pp.727-58.

autonomy and support provided by state structures thereby resulting in strong advocacy of issues and pioneering of responsive health care delivery.[41] Conversely, NGO growth in many low income countries has taken place in the context of a weak civil society and inadequate state support. Though the last two decades have seen a rapid growth of the NGO sector across developing countries including in South Asia there is uncertainty as to the relative contribution of local policy context as opposed to increasing donor aid. Weak civil society context reflected in terms of traditional societal divisions, a patronage based power structure and lack of democratic governance has been linked with the generation of weak and fragmented NGO sectors having low levels of voluntarism and poor ability to generate their own funds.[42] This thereby questions NGO independence to highlight issues and ability to shape responsive interventions and currently forms an under-explored area of NGO research. Evidence is as yet emerging, however existing findings show that in countries with supportive civil society contexts there has been pressure from within the NGO sector to preserve an 'independent' image and have resulted in strong examples of NGO service delivery as seen in Bangladesh, Nepal, South Africa and some of the Latin American countries.[43] In other cases, a weak civil society context has led to poor NGO uptake of on ground community needs; lack of ideological positioning on issues; lack of skills for advocating clients needs to donors; tendency to use hide-bound and conservative service delivery approaches as seen from studies in Pakistan, Cambodia and Vietnam.[44]

The pitfalls of donor dependency

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41 I. Cherret, P. O'Keefe, A. Heidenreich, P. Middlebrook, *op.cit.* A. Hadenius, F. Uggla, *op.cit.*

42 M. Edwards, 'NGO Performance – What Breeds Success? New Evidence from South Asia', *op.cit.*; A. Hadenius, F. Uggla, *ibid*.

43 I. Cherret, P. O'Keefe, A. Heidenreich, P. Middlebrook, *op.cit.*; AN Choudhry, 'Let grassroots speak: people's participation, self-help groups and NGOs in Bangladesh,' Dhaka University Press, 1996; TN Dhakal, 'Policy Perspectives of NGO Organizations in Nepal', *Development NGOs facing the 21st Century: perspectives from South Asia*, Institute for Human development, Kathmandu, 2000; A Hadenius, F Uggla, *op.cit.*; S.H. Mayhew, 'Hegemony, Politics and Ideology: The Role of Legislation in NGO-Government Relations in Asia', *op.cit*.

44 S.H. Mayhew, M.A. Ambegaokar 'Donor Support to the NGO Sector: an Analysis of the EC/UNFPA Initiative for Reproductive Health in Asia', *op.cit.*; S. Zaidi, S.H. Mayhew, *op.cit.*

The increasing international donor attention to NGOs is considered to provide exciting opportunities as well as dangerous pitfalls for NGOs. Share of external aid to international and local NGOs has dramatically risen in the last two decades comprising 1.5% of NGO funding in the 70's to a range of 15-20% in the 1990s;[45] while centrality of NGO role in health is increasingly reflected in UN policy documents as well as aid assistance strategies.[46] Many local NGOs in developing countries, including large and established organizations, are almost entirely dependent on foreign donor aid for carrying out their activities with internal revenue generation forming a proportionately small source of NGO funds.[47]

Researchers have cautioned that the key role played by international donor aid in influencing NGO sector growth in low income countries can potentially compromise the nature of NGO responses. Firstly, dependency on external donor aid can make NGOs vulnerable to rapid shifts in donor funding priorities. This can lead to diversion of NGO activities towards political priorities of donors at the expense of local health priorities. A study from Africa on environment related NGOs showed that an expansion in donor funds coincided with a change in NGO nomenclature in line with donor priorities and language.[48] Moreover, it can lead to short-tenured projects thereby constraining attention to process of care, iterative learning and building in-depth community linkages.[49] Secondly, donor dependency of NGOs can emphasize vertical accountability at the expense of horizontal accountability to clients. This can lead to a narrow interpretation of service to be provided with even internationally recognized NGOs co-

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45 K. Buse, G. Walt, 'An unruly melange: coordinating external resources to the health sector: a review', *Social Science and Medicine*, 45:3 (1997), pp.449-63; J. Greensmith, 'Trends in fund raising and giving by International NGOs', presented at *The Changing Paradigm of International Giving*, the Resource Alliance, Netherlands, 2001.

46 K. Buse, G. Walt, 'Global public-private health partnerships: Part II – what are the issues for global governance?', *op.cit.*; M. Reich, 'Reshaping the state from above, from within, from below: implications for public health'. *Social Science and Medicine*, Vol.54, 2002, pp.1669-75.

47 A. Langer, G. Nigenda, J. Catino, 'Health Sector Reform and links', *Bulletin of the World Health Organization*, 78:5 (2000), pp.667-76.

48 I. Cherret, P. O'Keefe, A. Heidenreich, P. Middlebrook, *op.cit.*

49 S.H. Mayhew, 'Donor dealings: the impact of international donor aid on sexual and reproductive health services', *op.cit.*; H. Standing, 'Gender impacts of Health Reforms-the Current State of Policy and implementation', *Women's Health Journal*, 3:4 (2000).

opted into excluding certain services such as abortion services to conform to donor preferences.[50] It also results in emphasis on quick and quantifiable results to satisfy donors thus leading to creaming of the population by targeting easier clients than those more in need and spending less time on labor intensive processes.[51] Furthermore vertical accountability to donors also reduces the impetus for client participation in programming and monitoring of services associated to be a key attribute of NGOs. Thirdly, undue dependence on international donor funding can also compromise the ability of NGOs to develop as independent issue oriented entities. Development aid to NGOs has traditionally focused on direct service costs overlooking allocations for institutional development of NGOs.[52] Bursaries for institution building of NGOs are rare with NGO survival frequently dependent on securing short term donor consultancies and service delivery projects. As a result NGOs often follow an apolitical and passive role as providers of services and have little time and resources for political networking and activism.[53] Lastly, external donor funding particularly in the context of weak civil society may encourage factionalism amongst NGOs as seen from NGO case studies from Ghana and Pakistan with infighting and secrecy to secure donor contracts.[54]

In summary, both the background civil society and donor funding context whether acting in combination or singly are increasingly recognized to influence the appropriateness of service provision by NGOs. Rapid NGO growth in the backdrop of a weak civil society and undue dependence on donor funding can blunt the very edge of NGOs as civil society representatives and question the innovation and responsiveness of their interventions.

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50 A. Langer, G. Nigenda, J. Catino, *op.cit.* S. Zaidi, S.H. Mayhew, *op.cit.*

51 M. Considine, 'Governance and Competition: The Role of Non-profit Organizations in the Delivery of Public Services', *Australian Journal of Political Science*, 38:1 (2003), pp.63-7; S.R. Smith, M. Lipsky *Non-Profits for Hire: the Welfare state in the Age of Contracting,* Harvard University Press 1993.

52 M. Edwards, D. Hulme, *op.cit.*; L. Gilson, P.D. Sen, S. Mohammed, P. Mujinja, 'The Potential of Health Sector Non-Governmental Organizations: Policy Options', *op.cit.*

53 S. Rahman, *op.cit*.

54 M. Giles, 'The Disappointments of Civil Society: The Politics of NGO Intervention in Northern Ghana', *Political Geography*, 21:1 (2002), pp.125-54; S. Zaidi, S.H. Mayhew, 'A Policy Analysis of Public Private Partnerships for HIV Prevention: A Country Case Study from Pakistan', *op.cit.*

The state's role & enabling or restricting policy contexts?

Apart from the background civil society context, state policies related to the NGO sector also contribute to determining the actual operational space for NGOs. These can be explicit policies as in NGO sector legislations or implicit policies as seen in government attitude on NGOs and extent of co-option in the delivery of health services.

In all countries NGOs are registered under government laws providing them a legal and formal status, an operational sphere of activities and right to access funds and obtain tax exemptions. At the same time these laws provide the government with means to regulate and monitor NGO activities. Legislation on NGO establishment and approval of activities can create a supportive or restrictive environment for NGO operations. A multi country case study of NGOs in Asia showed that countries that tended to tightly control rather than regulate and enable the NGOs had a weak NGO sector with NGOs often being passive bodies, frequently comprising pro-establishment figures rather than activists, and faced with extensive bureaucracy and restrictions on fund flow in conducting of activities as well as being vulnerable to be arbitrarily shut down by the state.[55] In some cases, restrictions have particularly focused on the flow of international donor aid to NGOs with government perception of foreign aid as rightfully belonging to the state sparking resentment on its routing to the NGO sector.[56] Conversely, too little policy and state indifference on NGO role can also impact negatively resulting in an uncoordinated NGO sector, little check on who gets registered as an NGO and poor accountability of funds and services provided.[57] Asides from issues related to the laxity or severity of regulation, there is also a narrow state interpretation of regulation as a tool for control overlooking the provision of training and support to NGOs. While some southern NGOs are sophisticated and professional bodies easily comparable to international NGOs, several others are registered bodies having little capacity for internal documentation and

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55 S.H. Mayhew, 'Hegemony, Politics and Ideology: The Role of Legislation in NGO-Government Relations in Asia', *op.cit.*

56 S. Samad, 'Political squall stalls Bangladesh Development Projects', *Global Policy Forum*, 2002.

57 'Baseline study: Organizational assessment of HIV/AIDS consortia and their membership', *op.cit.*; S.H. Mayhew, 'Hegemony, Politics and Ideology: The Role of Legislation in NGO-Government Relations in Asia', *op.cit.*

organizational management.[58] The state can potentially play a key role to create avenues for capacity building of NGOs in needed areas and direct funds for professional training as part of support and regulation of NGOs.

In addition to the over-arching role of state legislations on NGO operations as discussed above, government relationship with NGOs and practical opportunities provided within the health sector can also influence effectiveness of NGOs activities. A review of grey literature shows that despite a highly favorable global environment, government stance on NGO involvement often tends to be pious and vague rather than providing clear and realistic mechanisms for NGO engagement at policy and implementation levels.[59] Cases of policy co-option of NGOs have often been circumstantial, seen during populist movements such as in post-apartheid South Africa and the post-independence setting in Bangladesh.[60] In common practice, formal channels for NGO participation in the policy process, as commonly practiced in the West, are often non-existent in many low income countries, including Pakistan, thus precluding them from shaping the content of health services and mechanisms of delivery. At the implementation level, expansion of NGO operations through public private partnerships is an alien and untested area in many countries. Government and NGOs usually have isolated spheres of working, NGOs are rarely engaged by government in the delivery of health services and the occasional cases of NGO engagement have been subject to criticisms of individual likes and dislikes of government bureaucrats.[61] A review of health focused public private partnerships across Pakistan, Bangladesh, India, Uganda and Ghana found the relationship between NGOs and government to be one of mutual unease and wariness thereby leading to low government willingness to engage NGOs, poor support for operational issues and friction in monitoring.[62] These stemmed from a hierarchal government

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58 A. Green, A. Matthias, *op.cit.*; R.D. Herman, D.O. Renz, *op.cit.*

59 'The Role of SWAPS and the Private Sector in the Response to HIV/AIDS-DFID Experience in selected countries', DFID Resource Centre for Sexual and Reproductive Health. U.K, 2001; S. Shakil, *op.cit.*

60 S. Rahman, *op.cit*.; H. Schneider, 'On the fault-line: the politics of AIDS policy in contemporary South Africa', *African Studies*, 61:1 (2002), pp.145-67.

61 L. Gilson, J. Adusei, D. Arhim, C. Hongoro, *et.al*. 'Should African governments contract out clinical health services to church providers?', *op.cit.*

62 R. Soni, R. Jani, 'National AIDS Control Program II: Institutional Review, October 2001', Research Report, International Organization Development,

structure of command and control poorly given to include the non-profit sector as partners in the provision of services as well as attitudinal issues such as cynicism about NGO legitimacy and non-profit work, resentment on pampering and privileges accorded to NGOs and perception of NGO role as adversarial and confrontational amongst government stakeholders.

Hence despite high advocacy of NGOs by the international donor agencies, state acceptance and support at the country level is uncertain. At the same time state support is a fundamental factor both in terms of affecting the overarching legislative environment in which NGOs work as well as practical engagement at the sectoral level for shaping the content and delivery of health services.

Policy implications

A review of literature shows that despite the international promotion of NGOs as part of a New Policy Agenda, the assumption of superior NGO performance is based on insufficient evidence and complicated by the organizational complexity of NGOs.

NGO performance has had little standardized measurement in developing countries, varies widely in terms of technical quality and coverage aspects, and performance in terms of client responsiveness, innovation and transparency of services the popular attributes of NGOs is particularly uncertain. Furthermore NGO service delivery is affected by multifaceted internal and external factors that need to be recognized when building in an expanded NGO role in developing countries.

Ideological values, internal governance and managerial skills of NGOs are important factors shaping the effectiveness of NGO delivery but can vary widely across NGOs. The NGO market in the health sector is both pluralistic and relatively under-explored bringing potentially uneven and untested capacities for health service delivery. Hence caution is needed against a blanket promotion of NGOs with need to discriminate NGOs by their groundedness and technical capacity for health service delivery.

Secondly, the external environment in which NGOs operate can enhance and impede their effectiveness. Key elements include the wider civil society context, overarching legislative environment and government ownership at the sectoral level and dependency on external donor support. Hasty promotion of NGOs in the backdrop of a high level of donor dependency and a weak civil society context can lead to vertical

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UK, Raman Consultants, India and DFID, 2001; S. Zaidi, S.H. Mayhew, *op.cit*.

accountability and distancing of NGOs from their on ground character while is considered as the basis of NGO superiority over both the state and private commercial sector. Heavy influx of donor funding and rapid changes in funding priorities in particular carry the risk of apoliticizing already weak and fragmented NGO sectors and de-linking them from recipient communities. Furthermore government attitude towards NGOs can influence the extent of co-option and support in the planning and delivery of health services. Hence, policy level actions are required to address the cross-cutting contextual issues connected with NGO provision. These may include the creation of practical policy space and supportive attitudinal changes, caution against hasty jumps in funding, an emphasis on type as opposed to mere number of NGOs funded as well as the activation and strengthening of local NGO capacity building, networking and funding programs.

The paper concludes by cautioning against blind and hasty promotion of NGOs as a means to counter the growing international disillusionment with government health services. It underscores the need to go beyond NGO rhetoric and hasty diversion of NGO funds, to a deeper exploration of the local NGO market and its capacities, discrimination between type of NGOs funded and the creation of a favorable policy environment for NGO operations.