

**Whose Public Action?
Analysing Inter-sectoral Collaboration for Service Delivery**

India: From case studies back to programme level - key findings

**Padmaja Nair
July 2008**

Published: July 2008
(c) International Development Department (IDD) / Padmaja Nair
ISBN: 0704426757
9780704426757

1. Introduction and Methodology

In this concluding note, I have tried to consider the wider applicability of the case study to the respective programme area and sector. Although there are case and programme variances in relationships, the case studies by and large appear to be representative of state-NGO relationship in the specific services studied in India. This and the earlier programme paper allow us to put the specific cases studied into a wider context.

The note is primarily based on discussions undertaken with a range of NGO and government officials in Mumbai and Delhi during a validating round undertaken in April this year, together with some other members of the research team. It also incorporates discussions with other NGOs selected because they were working in the same programme area. Apart from this I have also referred to the feedback on the case study from the participating NGOs as well as the programme note prepared in the early part of the study (*Nair, Padmaja (2007) Whose Public Action? Analysing Inter-sectoral Collaboration for Service Delivery Identification of Programmes for Study in India: Initial Notes, February 2007*).

2. Education

The partnership between Door Step School (DSS) in Mumbai and the Bombay Municipal Corporation (BMC) was part of a city wide programme and DSS was one of several NGOs that the BMC engaged with as providers of Non-Formal Education (NFE). The case study indicated that DSS had moved from an informal relationship to a formal one with BMC and also graduated to a partnership with the federal government. However, its relative financial independence on one hand and BMC's minimal monitoring interventions and a tendency largely to manage on the basis of standard administrative procedures, as laid down in the project agreement or approval letters, allowed the NGO considerable flexibility to innovate within a given project framework. While administrative requirements and reporting procedures were cumbersome, interference was minimal. On the other hand, pro-active support from BMC was almost absent. Discussions with other NGOs working on various aspects of education, including non-formal education, in Mumbai, revealed that DSS's relationship with BMC was not unique or very different from a large group of NGOs running NFE centres, many of which had at some point of time entered into a formal relationship with the latter.

NGOs like Akhansha and Save the Children (STC) in Mumbai, like DSS, also implement NFE and other education projects supported by the BMC as well as the state government, although on a larger scale than DSS (for instance STC runs programmes in over a 100 schools). While STC's partnership is service-oriented and it

does not seek to duplicate the work of the state, Akhansha runs several NFE and study centres in the slums of Mumbai and is also engaged in School Support Programmes like DSS. Both STC and Akhansha, like DSS, complained about problems in complying with the monitoring and reporting mechanism, inadequate budget and delays in fund flows. Like DSS again, both the NGOs are however, able to keep themselves afloat as well as improve and innovate the partnership programme largely because of the substantial funds accessible to them from corporate and other sources. All three NGOs have chosen to enter into a partnership with the state not so much to access additional resources, but to support the better utilization of government resources and to get a foothold into the state system in order to further their own objectives. Their engagement with the state was critical to these concerns, in spite of inherent difficulties. On the other hand an NGO like PATH appears to have entered into a partnership with BMC with the primary objective of accessing additional funds. A funding relationship, according to the director of PATH, however, makes the NGO an appendage of the funder - the government or the corporate funding partner as the case may be.

At the same time NGOs like Avehi Abacus, which started operations in Bombay in 1990, have the state-run schools as their sole reference point. Avehi's relationship with BMC was thus formal from the start and an initial pilot programme in few selected schools subsequently expanded to cover over 900 schools. Improvements in the state curriculum, through provision of supplements to the curriculum that would develop children's skills in thinking, analyzing and decision-making, were the primary objective of the partnership. Avehi attempts to do this by redefining and refreshing the course content and training of teachers; it therefore depends on formal approval from the higher levels of the BMC. However, Avehi too is primarily supported by donor programmes like ASHA and Reach India.

There is also Pratham, an NGO that was launched with the support of the BMC in the early 1990 and rapidly expanded to several states across the country, but now only has a token relationship with the BMC. Somewhat different from DSS in structure, status and approach, Pratham has not been actively involved with the BMC schools since 2004 but instead works with the community. However, it was also running around 400 NFE centres under the SSA programme with funds being routed through the BMC. Pratham believes that its particular contribution is that it not only identifies problems but also provides the government with solutions and supportive inputs. Pratham's independent stance is also primarily supported by its financial strength and its engagement at all levels of the government.

The manner in which the NGOs address issues and resolve problems may, however, differ depending on the nature of the NGO and the objective or basis of the relationship. The level of financial independence of the NGO also played a critical role. What appears to have sustained the relationship between the NGOs and BMC was the mutual goal of bringing all out of school children into the formal school

system. Discussions with other NGOs strengthened the conclusion arrived at in the case study that the BMC's continuing engagement with the NGOs was mechanical and more a product of a historical tradition rather than an intensely felt need. It was easier for BMC to allow the NGOs to continue to participate and to provide necessary goods and non-threatening services than to adopt a disengaged position. BMC also turns to NGOs when it has tasks in hand that it finds difficult to perform. Inviting NGOs to help in running the newly proposed English medium schools is a case in point. 'Initially the BMC wanted to keep the NGOs out of the project but soon realized that they had bitten off more than they can chew. So they have now invited NGOs to run the KG (Kindergarten) classes' (Programme Co-ordinator, Akahansa).

The case study shows that while DSS itself was careful to follow protocol and procedures with BMC, the relationship was greatly dependent on rapport between individuals within the system. Paranjpe, the president of DSS, agreeing with this observation, added that a 'relationship depends on the people at the cutting edge level.' Paranjpe stated that as long as the NGO did not confront the BMC, the latter allowed it adequate freedom to work. The director of PATH endorsed the observation and stated that relationships were greatly dependent on individuals within the government system and co-operation was forthcoming as long as core issues which challenged the authority of the BMC were not raised. In other words, confrontations and '...stepping on government toes' (director PATH) were strictly not welcome. Pratham on the other hand worked with the more positive belief that government officials (especially at the senior and decision making level) were sometimes inspired individuals with a social mission. Senior officials in both the state and federal governments have in fact proved to be champions of Pratham's cause and have sustained the movement. On the other hand, Pratham appears to have found it more difficult than DSS to get the support of municipal staff at the operational level. This difference could be attributed to the difference in strategy between Pratham and DSS. While the former is focused on improving the quality of public schools, the latter targets increased enrolment of children into mainstream education. However, while for DSS the choice was either to work with BMC or not engage with it at all, Pratham was of the opinion that NGO programmes could be developed in conjunction with the state system or else be completely independent of it.

BMC has been known historically for its work with NGOs. However, the study has shown that in recent years its education cell had begun to move towards formalization of the relationship and introduction of mechanisms which appear to enforce increasing controls on the NGOs, limiting creativity and innovations. Almost all the NGOs were initially apprehensive of the move as most of them felt that there was no clarity on how the NGOs were going to be engaged. The immediate reaction was for a large number of NGOs, including DSS, STC, Akhansa and Avehi to come together on a common platform to enter into dialogue with BMC - a move that was apparently encouraged by the latter. However, tensions and disagreements within the forum and the sudden loss of the key negotiator weakened the process. None of the NGOs

appeared to be willing to challenge the BMC as there was an unarticulated fear that this might jeopardize the relationship between them and the municipal corporation. Meanwhile, annual contracts for ongoing projects were delayed. Finally, STC, Akhansha and others, like DSS obtained verbal approvals from BMC, on the basis of individual relationships as well as the credibility of the organizations, to continue with their activities. As the Programme Coordinator of Akhansha observed: 'NGOs are only working on the basis of relationships and therefore I feel that the Public-Private Partnership Cell has messed things up'. The strength to initiate work on the basis of verbal sanctions was also backed by the financial ability of the NGOs to undertake the risk. The Programme Co-ordinator of Akhansha feared that while better resourced NGOs like them and DSS would be able to withstand such delays, the smaller NGOs would be in trouble.

Avehi, on the other hand, had been one of the most vocal opponents of the new approach. It felt that the draft outlining the new approach was poorly conceived and that not only were roles and responsibilities of partners not clearly defined under the new approach, but that the BMC was also trying to wash off its own responsibility for ensuring quality elementary education. Avehi was also critical of the international and UN donors who never questioned such apparently arbitrary moves of the state, because they had their own priorities that stemmed from their international agenda rather than local priorities and realities. Avehi had hence adopted a wait and watch attitude as it felt that otherwise the BMC might retaliate. Meanwhile, Avehi has been left in some uncertainty, with a huge investment in learning materials and a large team waiting to facilitate its application, for which it was accountable to its donors¹. Pratham, on the other hand, has been able to keep itself out of this muddle as it had no direct engagement with the BMC apart from the SSA programme.

It is thus clear that whatever the objective of engagement - enrolment or quality education - the BMC-NGO relationship is largely controlled by the former. NGOs have to find ways and means to negotiate this relationship based on their own needs and extent of financial independence. A point to be noted is that the failure of the NGO Forum to form a united front against the BMC on the issue of the PPC may be reflective of a larger malaise in civil society in India. This perception is qualified by a senior advisor of DFID, according to whom although civil society in India is very large, it is very diverse. It is not a homogeneous group and a 'big brother' attitude on the part of large NGOs is very apparent in the sector.

The DSS-BMC relationship is also representative of the state-NGO relationship in the sector at large. The Programme Note (*Nair, Padmaja (2007) Whose Public Action? Analysing Inter-sectoral Collaboration for Service Delivery Identification of*

¹ At the time of the study, Akhansha too was facing a similar situation with respect to its proposed involvement in the English medium schools, where it had organized the funds and structure but were unable to use it as the BMC had as yet not formally contracted them.

Programmes for Study in India: Initial Notes, February 2007) observes that in India the state plays a critical role in shaping its relationship with NGOs. It influences the educational development agenda, sets the framework for development, provides resources and, more importantly, defines the NGOs' role within this framework. This has led to largely hierarchical relationships rather than equal partnerships, within which the NGO partners have to struggle or manoeuvre to achieve their purpose, whichever the state agency. Discussions with Deepalaya a large NGO located in Delhi and working on the issue of education and health with the Municipal Corporation of Delhi and other state agencies, reflected this situation. Deepalaya, like DSS and others, also receives substantial funds from non-government sources. While funding and formal engagement with the state agencies is strategically critical, it forms only a small part of the total budget of the NGO. Like DSS, Deepalaya also complained that not only was the money under the NFE contracts inadequate, but it also never came on time. Underscoring the importance of individual relationships at the level of the school² as well as within government, albeit in a somewhat different way, the CEO of Deepalaya said that fund disbursements were dependent on the '...whims and fancies...' of the concerned government official at the lower level. He stated categorically that '...we do not bribe...so we suffer.' Moreover, the conditions of funding within a project framework were often so rigid that, on several occasions, the NGO had refused to participate in a project or had even withdrawn after signing the contract.

Yet like DSS and many others Deepalaya chooses to work with the government for two primary reasons. Firstly, because there are large numbers of children who are out of school and whom the government is unable to reach, NGOs need to fill the gap. Secondly, 'we go to the government because we want to be accepted. We want to be on the right side of the government...and build rapport with municipal schools that in turn need children.' The CEO pointed out that NGOs like his were not competing with the government but filling gaps in the capacity of public schools to reach children. However, the CEO felt that, while the federal and state governments had policies for NGO involvement and partnerships, there were no clear cut strategies. This is perhaps because the government in reality is not interested in working with the NGOs.

The case study confirms the observations in the Programme Note that the '...State's envisaged role for NGOs ...is largely limited to the latter providing support to literacy programmes through resource centres, and managing centres in unserved areas. Further, the relationship of an NGO with the State may also undergo changes over a period of time....Tensions between the State and the NGOs are bound to exist because of possible variance in the State's envisaged role for the NGOs as against the NGOs' perception of their own role within the context of the NFE programme. ...A well

² Deepalaya undertakes micro-plans at the school level without funds from the government. Deepalaya trains teachers, take children on picnics, etc, just like DSS in Mumbai. However, these interventions are based on the NGOs relationship with the individual Principals- if the principal is not agreeable then nothing can be done.

resourced NGO with clout and credibility is able to engage more proactively with the State. ...Further, the relationship of an NGO with the State may also undergo changes over a period of time.'

3. Sanitation

The sanitation case study, focusing on the relationship between Shelter Associates and the Sangli-Miraj-Kupawad Municipal Corporation (SMKMC) highlights the following key elements. The relationship has moved from a mutual agreement to horizontal co-production. While formal agreements exist, it is the informal interactions at all levels of the corporation that have contributed towards the success of the relationship, most critically at operational level. Establishing a relationship at all levels has ensured continuity in spite of frequent transfers of municipal commissioners. The case study also observed that transparency in financial transactions between the NGO and the municipal corporation had been a key factor in the effectiveness of the relationship. The community played an increasingly important role in the relationship, to the extent of being a formal signatory to the contract between the Corporation and the NGO.

The urban sanitation sector in India does not offer as large a scope as education to assess the general applicability of the Shelter- SMKMC relationship to the sector as a whole. There are relatively fewer cases of state-NGO partnerships in the sector. But a review of the Programme Note (Nair, February 2007) shows that certain similarities exist between the Shelter-SMKMC case and others including the following: the WaterAid supported Integrated Slum Sanitation Project in collaboration with the Trichirapulli Municipal Corporation and a set of four NGOs, DFID supported projects in Kolkata, and the Slum Networking project in Ahmedabad. While all of them, except for the project in Ahmedabad, have been implemented with funding support from external donors or international NGOs, local NGOs have been involved in planning, implementing and monitoring the construction activities as well as ensuring community mobilization. In the case of Shelter, although it had deliberately abstained from actually undertaking construction of toilets in Sangli, it played a crucial role in planning and monitoring construction of community toilets and, by default, took up the entire responsibility of construction of individual household toilets. The community in all cases was active and was eventually made responsible for the operation and maintenance of the community toilets.

The nuances of the relationship between the key players as seen in the experience of Shelter- SMKMC is also reflected to some extent in the relationship between SPARC and selected urban local bodies in Maharashtra.. SPARC, like Shelter, believes in the importance of the community: 'we believe that we can go to scale only by building the capacities of the community...NGOs interface between the state and the CBOs' (Sundar Burra, SPARC). SPARC also believes that the state cannot wish away its responsibilities by involving NGOs in service provision. It feels that the State-NGO relationships should be re-negotiated so that, while the obligations remain the same,

the mechanism for service delivery is changed. It was this belief that apparently prompted SPARC to negotiate with Pune Municipal Corporation to allow the CBOs, supported by the NGOs, to actually design and construct toilets according to their needs, rather than the state taking on the responsibility in a supply driven manner.

Like Shelter, SPARC identified and targeted a champion - the then Commissioner of Pune Municipal Corporation - to experiment with this idea, which subsequently led to the implementation of the Pune Slum Sanitation project. SPARC believes that its specific skills in organising the community as well as technical skills were instrumental in cementing its relationship with the PMC and carrying the project forward. According to Meera Bapat, who used to be on the Board of Shelter and is now a Board member of SPARC, the then Commissioner of PMC believed that only with SPARC's presence would community participation happen. SPARC in turn is of the opinion that government agencies can be re-invigorated through such partnerships with NGOs: 'we believe in partnerships at all levels and all capacities.' (Sundar Burra) However, SPARC is of the opinion that for any NGO to be effective there has to be some autonomy and that autonomy comes from independent funding – that is, independent of government as government funding is binding in all senses of the word.

Thus, like Shelter, multiple levels of relationship, specific skills and a community focused approach have been the key elements of SPARC's relationship with urban local bodies. However, SPARC appears to have more influence than Shelter on government at both the state and national level. This clout, according to Bapat, is primarily because of the large scale of SPARC's operations. She adds that national policies do not make any difference to NGO involvement. Sanitation is a state subject and therefore national policies only influence NGO-state relationships at a superficial level. According to Bapat, NGOs work because of self interest or commitment, money or fame, while municipal corporations foster a client-patron relationship, wanting people to be dependent on them.

According to the Country Representative of WaterAid UK, INGOs like them find it difficult to engage with the government, unlike the experience of UN agencies. The state is apparently reluctant to sign MoUs with non UN international agencies. Quoting examples he stated that in Orissa, the state government had played safe and the MoU was signed by someone below the level of the Chief Engineer of the state-run water utility. Similarly, in the state of Madhya Pradesh, the state signed a tripartite MoU with WAI as one of the parties, only because of the involvement of UNHP a UN agency. The Country Representative's opinion was that most NGOs faced similar difficulties in engaging with the government and therefore worked in a direct service delivery mode as opposed to facilitating the state to deliver the services more efficiently.

However, access and response from relevant state agencies and departments apparently becomes easier if the NGO is able to strike up a personal relationship on the basis of

factors including being from the same caste, community or region. Establishing relationships also becomes easier at the state level and more still at the district level because, while projects are actually implemented at this level, the district magistrates who are responsible for development activities in the district are usually young and enthusiastic and eager to show results. On the basis of the same logic it is easier to work in small urban local bodies and more difficult to work in large metropolitan cities without power or a political base. In fact, he was of the opinion that, to some extent, Shelter's success in Sangli and SPARC's in Pune were facilitated by political mobilization - both had been able to mobilize the support of key elected representatives in the respective municipality. WAI is therefore trying to work with a politically strong NGO in Delhi in order to be able to reach the Delhi state government. The risk is that the concerned politician loses the next elections. Giving another example of the strength of political connections and individual relationships, the WAI Country Representative said that in Bangalore WAI was invited by a member of the Bangalore Agenda Task Force, who was also the chairperson of Bangalore Water Supply and Sanitation Programme to partner them. However, when the chairperson changed the deal fell through. So, if an NGO becomes too close to the state there is danger of a loss of manoeuvrability.

Confirming the government's easier relationship with UN agencies, the chief of the Water and Sanitation Section of UNICEF said that UNICEF had a Master Plan of Operations signed with the Government of India. The document was signed by the concerned line and nodal ministries and also discussed at the level of the Planning Commission. These were followed by similar MoUs with the governments of 14 states where UNICEF had a presence. UNICEF's partnership with NGOs is currently mainly at the state level and often through the state. In fact she admitted that some states were reluctant to work with NGOs. However, there were some instances where UNICEF had entered into a tripartite agreement with an NGO and a state government, endorsing WAI observations that the government is more willing to enter an agreement with an NGO if it is backed by a UN agency. UNICEF itself supports an NGO network (WESNET) but, given UNICEF's closeness to the government, maintaining a distance from the network so as to avoid jeopardizing it. The WES chief also indicated that, given the importance of NGOs, a new UN system [was soon to be put in place to provide guidelines for working with NGOs. This would also include a checklist for pre- screening of NGOs. UNICEF, like DFID was moving towards focusing on *dalit* run NGOs.

Thus, while the state appears to be often shy of entering into a partnership with NGOs in the urban sanitation sector, such partnerships have occurred where the NGO could convince the state of the special skills that it would bring into the partnership - often in the form of community mobilization and interface and where a third party in the form of an external donor was also involved.

4. Primary Health Care

The health case study describing the relationship between Karuna Trust and the Department of Health and Family Welfare (DH&FW) of the State of Karnataka. The Trust is managing selected Primary Health Care Centres (PHCs) in the state in one of the few examples of public private partnership in primary health care in the country. In Karnataka, there was also a larger planned experiment, wherein the state planned to hand over 50 PHCs to NGOs and private medical colleges for management on an experimental basis. However, at the time of the study only the Karuna Trust PHCs and a couple of medical colleges were contracted out. Others had either opted out because of various difficulties or the state itself had terminated the contracts due to poor performance.

The study indicates that, while the partnership concept in general and Karuna Trust in particular were accepted at the higher levels of the state administration, tensions and mistrust were visible at the operational level. The primary problem was a lack of understanding on the part of the district and PHC level government functionaries about the concept of public-private partnership. Vested interests of government staff in the PHCs and district health centres were also a barrier. A recent (May 2008) performance evaluation by the Institute of Health Management Research of Karuna Trust's model of public-private partnership in primary health care similarly observes that a lack of understanding of the PPP model on the part of the government and panchayati raj institutions was a major problem. The evaluation also notes that the partnership also suffered from delays in the release of funds as well as of drugs and supplies. Karuna Trust was able to sustain the flow because of its ability to access funds from other sources. Besides, the influential position of the leader of Karuna Trust enabled it to function in spite of difficulties at the operational level.

Difficulties in partnering with state agencies in the delivery of health services was also voiced by SNEHA, a Mumbai based NGO that has an MoU with the BMC to improve the quality of maternal and new born health care services that BMC provides through its various hospitals and health care centres. Since five of the seven-member NGO team originally worked with the BMC they were able to understand the dynamics of BMC and to be sensitive to the kind of problems it faced, and accordingly mould their own strategy. This resulted in establishing trust and credibility with BMC. The director of SNEHA added that, although they had an MOU with the BMC, transfers and changes of key officials led to change in the NGO's relations with the BMC implying that, although the relationship was formal and between institutions, it was significantly influenced by individual relationships. Somewhat different from the experience of Karuna Trust, the director of SNEHA said that people within the state system, especially at the lower level, were happy to work with the NGO. They faced a greater problem from the trade unions within the BMC.

The President of Parivar Sewa Sanstahn (PSS), another NGO headquartered in Delhi and working on health issues including reproductive health, was of the opinion that working with PHCs was a problem, especially in the northern states like Uttar

Pradesh, Bihar, etc. The situation was apparently better in the southern states because of their better governance. PSS has developed a somewhat different model of state-NGO collaboration because it feels that the private sector should not manage PHCs. The alternative model, called '*Sajedari*' (partnership), focuses on handholding, mentoring and support, but with existing government staff unlike the case of Karuna Trust which had replaced the government staff with its own private professionals³. Again like Karuna Trust, PSS also generates its own resources through fees and donations and is hence able to cover some of the funding gaps that occur due to inadequate budget or delays in release of funds by the government.

The president of PSS stated that there was a difference between missions of PSS and the state. While PSS's mission was to build capacities and deliver services, the state was not really interested in either of these issues. Because of this basic difference PSS found that it had to always stretch itself to work with the government. While individuals running the state system came and went with their different attitudes, the system itself never changed. The president's opinion was that the government was not interested in NGO participation, and that the strong presence of NGOs existed more because of pressures from various sources, including global commitments of the government.

On the other hand like Karuna Trust, PSS is also on several decision-making boards at the state and GoI level, from where it attempts to influence state policies. PSS claims that it is very vocal in presenting its viewpoint on these boards. The president of PSS feels that, while at the central level government is relatively proactive and consults with experts outside the system, processes of consultation are poor at the state level. Although the central government is responsible for formulation of acts and laws, the actual rules for implementation are developed at the state level so consultation at this level is crucial. Besides, the processes of granting approvals on projects and related activities are slow in government. This is even more the case at the district level because of the lack of administrative capacity as well as a tendency for rent-seeking. PSS does not register a complaint when faced with such a situation, but confronts it and tries to resolve it at the source of the problem itself. The government, they feel, gives them a hearing because of the credibility of the organization, its technical competency and assertive but subtle process of advocacy, developed over a period of 30 years in the field.

In terms of partnerships, the president of PSS stated that 'the government treats you as a beggar'. Government does not have the capacity to utilize the allocated budget and at the same time the capacity to give this money to NGO is also lacking. PSS is careful not to depend entirely on government projects. In fact only 20 percent of its budget comes from government partnerships. PSS has two types of contract with the state. For regular schemes, where it is part of a larger project, the contracts are regular and standardized. However, for innovative schemes the contracts are NGO specific and

³ At the time of the interview, PSS was in the process of negotiating with the government .

PSS has a say in drafting the contract. Agreements are however, not always contractual - at times they are also made on the basis of simple letters. On the other hand, when the partnership is part of a donor-funded project, then the contracts are more detailed.

5. Conclusions

All three case studies point to the fact that in India, while the state has been articulating the need and its intention to partner with civil society organizations and NGOs, there is a lack of appreciation of the benefits of such a partnership across the board. Hence, relationships are often tense and based on the capacity and credibility of individual NGOs to negotiate and sustain them. Capacities in turn are dependent on specific skills that they bring into the partnership, leadership and clout in the sector and financial independence. As PSS indicated there is a need to retain independent source of funding to command respect and NGOs need to strategise to achieve this. While there is an increasing tendency for the state to perceive NGOs as service delivery agents, a large number of NGOs feel that their role is to facilitate and make more efficient the state's responsibility for delivering services. Hence, most NGOs do not see themselves as setting up parallel structures to the government, but instead as supporting the government to deliver with enhanced efficiency and effectiveness. However, the approach being adopted by NGOs like DSS, would tend to indicate that NGOs could adopt the approach of soft advocacy through service delivery or work as an insider.

Discussions with DFID as well as PRIA, an influential support organization with a pan-India presence and extended networks, add to this perception. A senior advisor in DFID observed that in India the state looks at civil society organizations often as service providers. DFID, however, feels that if civil society is only involved in service delivery then it would actually amount to privatization and would not bring about any system change or empowerment. A similar opinion was voiced by the President of PRIA, who said that while the demand side of development inputs (mobilizing the community, for instance) can only be delivered by NGOs, action on the supply side would have to involve the government service provider. In fact the president of PRIA observed that NGOs made service delivery more efficient and their contributions and expertise in this area needed to be legitimated. Perhaps, with similar perceptions, DFID is apparently aiming to create an environment wherein the civil society can play a more strategic role. It is therefore trying to work within the government and create a space within the state for civil society organizations. DFID itself is interested in working with small civil society organizations that are not only focusing on the needs of the excluded communities but also are largely managed by members of such communities.

However, DFID observed that it was difficult for NGOs to develop a relationship with the state in India. Any programme with civil society had to be approved by the GoI. Apart from reviewing and approving the concept notes and strategies, GoI also required NGOs to comply with stringent requirements like the Foreign Currency

Regulations Act before it is allowed to access external donor funds. For instance, DFID has recently concluded the first phase of a five year programme which aimed to build the capacities of civil society organizations in selected poor districts of India (PACS Programme). DFID funded 600 projects under the programme and each project was scrutinized and approved by the Department of Economic Affairs of the GoI. However, the advisor added that the efficiency of processing such proposals depended on the nature of the political party in power. Apparently the NGO-state relationship in PACS also depended on individual district commissioners, heading a project district. Frequent transfers were a destabilising factor; they made it difficult to institutionalize processes. In the course of the programme DFID and its NGO partners also came to the conclusion that to build a relationship with the state one had to engage at multiple levels. Networking and networks were however more effective than individual NGOs. Hence PACS attempts to promote networks of NGOs. DFID is thus faced with some critical questions: why is the state in India reluctant to work with civil society organizations? Do policies open doors to a civil society-state relationship or can the work of civil society organizations compel the state to open its doors?

PRIA's experience was that a large part of 'influencing' took place at the sub-district level. Often the officials at this level are reluctant to engage with NGOs because they have had bad experience with NGOs with poor capacities or have come across some that are fake. On the other hand, there is also the issue of the vested interest of local officials in not engaging with NGOs, who may question their way of functioning. According to PRIA, there is also the issue of 'turf battles', regarding who should take the credit for work done. Apparently, often the NGO lets the government take the credit. However, according to the president of PRIA, if the NGO brings in specialized skills at the local level and also makes the work of the concerned local official easier, then there is a greater amount of acceptance of the NGO. Besides, he added, disagreements between the state and the NGO had to be dealt with in a constructive manner. The NGO needs to bring in its own perspective into the partnership, instead of being a mere contractor. In fact cooperation and conflict, he added are different sides of the same coin.

PRIA is convinced that if an NGO takes up the issue of development, then it cannot avoid working with government. State-NGO relationships have a formal as well as an informal aspect. PRIA observes that there are champions in the government who support the work of NGOs and civil society organizations because they believe in their work. In fact PRIA's experience has been that individuals in the government can initiate a relationship. Subsequently, PRIA tries to institutionalize the relationship and attempts to bring all stakeholders within the ambit of this process, although this institutionalization is slow and often frustrating. At the same time formal agreement with the state is also inevitable and necessary, especially when there is a transfer of assets, resources and management. But to make the relationship effective, where NGOs are involved, there has to be some amount of flexibility in the formal

arrangement or contact. However, the NGO has to draw a line on its work with government in order to avoid co-option.

July 2008