

**Whose Public Action?  
Analysing Inter-sectoral Collaboration for Service Delivery  
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**Discussion Paper 4: Comparative Report on Cases of  
NSP-State Relationships in Bangladesh**

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# Comparative Report on Cases of NSP-State Relationships in Bangladesh

## 1. Introduction

This report presents a synthesis of the main findings from the three case studies in Bangladesh. The key factors that contributed to shaping the relationship and whether and how the relationship has influenced the agendas for public action of the three NGOs are described. What follows below is a discussion of micro and macro contexts, influence of wider institutional factors, emergence of relations, relationship dynamics, participation in government project, attitude of bureaucracy, and donor dependency. All these factors have important bearings on the nature and type of public action and also in determining relations of NGOs with government.

## 2. Mission, Vision and Strategies of Public Action

The vision of public action of NGOs in Bangladesh had its root in the relief and rehabilitation activities of NGOs immediately after liberation. In the 1970s and 1980s, the mission to serve the poor and the disadvantaged was made possible through the support of different INGOs and international agencies. All the three NGOs studied were established during the period after 1980 with a basic service orientation to education, water and sanitation and health, with the mission to serve the poor and the disadvantaged.

This changed from the mid 1990s when there was a change in the donor agenda and the flow of funds from international agencies began to decline or donors started channeling funds to big NGOs and also to NGOs via government. Gradually survival became an important issue and NGOs began to rewrite their mission and vision statements to cope with the changing aid scenario. However, all three NGOs studied stated that, although they had had to adjust, this did not bring any fundamental shift in their mission to serve and empower the poor and the disadvantaged.

Our study findings reveal that none of the NGOs had any clear vision and mission statement of public action at their inception. However, all of them have followed some guiding principles and objectives in conducting their activities. The missions of all three NGOs took explicit shape as the NGOs gained experience and felt the need to promote their activities and also gain access to donor fund.

### *Vision of Public Action of the Three NGOs*

**FIVDB's vision of public action** was somewhat obscure and not clearly spelled out when it started working in the early 1980s and only clearly articulated from 1996. FIVDB states that its principal mission is the establishment of a society by providing need based and appropriate education and also to contribute towards educational and socio-economic empowerment of disadvantaged women, men and children. The founder of FIVDB was inspired by Paulo Freire's work on education and the transformative role it could play to bring about changes in society.

**UST's vision and mission of public action** has also evolved through a process. In early documents one finds several aims and objectives and guiding principles. However, in a recent flyer UST has explicitly stated its vision and mission. It states that "People's development is in people's hands" while the mission statement is "strengthening local capacity and governance and also supporting local initiatives of development". In a new flyer UST delineates two goals and nine objectives. These objectives are thoroughly revised and rephrased. UST's vision and mission of public action have evolved through a process over the last two decades.

**The case of PSTC is different and its vision of public action** is rooted in the activities that it conducted in the past when it was functioning as a government agency. The focus of its public action is "health, security and improved living conditions" and the target is the "disadvantaged and poor people" of Bangladesh. The mission statement of PSTC contains two components. PSTC spells out that its long term vision is "improved quality of life of disadvantaged peoples of Bangladesh". Another feature of PSTC's public action is to work in harmony with government and local government to achieve common objectives. This is reflected in one of its agendas for action which reads "continue its role for enhancing coordination amongst government, NGOs and donor community; and develop network with NGOs that are working in the arena of social and human development including ESP, Community Health, AIDS, Women Empowerment, Youth, Adolescents and Gender issues<sup>1</sup>".

### 3. Governance and Management Structure

All three NGOs fulfil the legal requirements and are registered both with the Social Welfare Directorate and the NGO Affairs Bureau. Since these NGOs are registered under similar laws they follow similar type of governance and management structure. They have three tier governance structures called by different names. At the apex of the governance structure there is a General Council/General Assembly/General Committee which elects a National Executive Board/Committee which is the highest policy making body of the organization. The National Executive Board is headed by a Chairman, Vice Chairman, Treasurer and several other members. These are all voluntary positions. Below the Executive Board, there is a Senior Management Team (SMT) headed by Executive Director (ED) who looks after the day to day activities.

The internal management of the three organizations differs. For example, in FIVDB decisions are normally taken at the meeting of the Senior Management Team (SMT) on the basis of consensus or, if there are differences, then by majority vote. Any member of SMT can call a meeting. In UST there is no SMT; decisions are taken after consultation among the senior managers of the team. The previous director, who is the current chair of UST, is frequently consulted on different issues. In PSTC decisions on programme activities are taken by a Programme Management Team headed by the executive director through discussion and consensus.

One important concern in the governance system is the weakness of succession planning for the grooming of second line leadership. In FIVDB there was no succession plan, in UST recently a new director took over from the founder, while in PSTC the

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<sup>1</sup> Annual Report 2005. p.6

director is selected by the Executive Board. The staff of the organizations remain in the dark and have to wait until the day when a new person takes over the leadership.

## 4. Shaping Agendas for Public Action

### ***Macro and Micro Contexts***

The macro and micro contexts within which NGOs conduct their activities have perceptible impacts on the agendas for public action they pursue. The field information suggest that the activities of all three NGOs have been influenced by policies and programmes of the government, availability of funds, role of donor agencies, and also the influence of wider institutional factors such as the politics, law and societal culture of the country. In the last decade or so resource constraints and dependence on few core donors have either limited the domain of public action or led to the rewriting of agendas.

### ***Influence of Wider Institutional Factors***

The wider institutional factors (law, politics and societal culture) influence the agenda for public action either directly or indirectly. All NGOs are required to register under the Societies Registration Act and Social Welfare Registration and Control Ordinance 1961 to Act legally. No NGO can ignore the existing rules and regulations which provide the context for conducting its activities legally. In order to receive any foreign grant or donation NGOs are required to register with the NGO Affairs Bureau. Government also issues directives from time to time which the NGOs are bound to follow. Some of these rules and directives are restrictive and impinge upon the freedom of NGO on public action. All three NGOs conduct their activities according to legal requirements and, therefore, the activities of the three NGOs are conditioned by laws and ordinances amended from time to time.

Since NGOs work at the grassroots community level they have to be very careful to consider the public reaction prior to undertaking any programme. One field staff recalled the problems and the resistance NGOs faced from the general public when the use of contraceptives was first floated in the country. The NGOs and government moved with caution undertaking a massive awareness building programme in recognition of people's views and values. Understanding of local culture is important to get entry to the community, establish initial relations and create space to conduct activities in the long run.

The politics of the country also affect NGO activities. In unstable political situations government remains indecisive regarding the role of NGOs and tends to be restrictive and critical of NGO activities. For example, the present interim government has strong reservations about NGO activities and their transparency regarding funding and expenditure. Oscillations in government-NGO relations also affect NGOs' agenda for public action.

### ***Resource Dependency***

The availability of resources for NGOs is an important determining factor in designing and implementing their activities. All three NGOs depend on a few external donors supporting their activities. Internal revenue generation from own sources is very nominal. This dependence on external sources has constrained NGOs' freedom not only in undertaking projects but also in administering them. *Resource dependency is an important factor both in determining as well as in shaping the agenda for public action.*

In the context of 'Public Private Partnership' (PPP), the agendas of NGOs are very much influenced by the public policy agenda and including the donor agenda. All three NGOs implement projects which are contracted out to them through competitive bidding. Although these projects may not clash with their mission and vision, the implementation strategy and the rigid attitude of the government put them in an uncomfortable situation constraining their ability for independent public action. Participation in government contracted projects by NGOs is a new development; NGOs do not have any option but to participate in these projects because direct funding from the donors is declining. There is a general consensus that as far as the terms and conditions are concerned all government projects are same.

### *Changing Aid Policy*

Recent uncertainties regarding the regular flow of external fund and change in aid modality by donors have put many established NGOs into financial insecurity. Anticipating a further squeeze of direct donor funding, many NGOs have started participating in government contracted programmes and are expanding their micro credit activities. The three NGOs under our case study are no exception to this scenario.

A large number of NGOs, including our three selected NGOs, are switching to government projects through contractual agreements. This is an informed choice but not a very spontaneous one. This new development is going to affect the core views and values of the organization bringing a new dimension into the definition of public action. NGOs do not have any other feasible option; they can only keep their organizations and programmes alive by entering contractual agreements with government. NGOs cited the following reasons as rationale for participating in PPP projects:

- NGOs anticipate that future funds will be provided by donors under the banner of Public Private Partnership. There will be limited resources available for individual NGOs directly from the donors.
- NGOs do not want to give an impression to the government that they are unwilling to work with it.
- There are numerous NGOs in the country that will be willing to work under PPP, so government will be in a strong position to choose between them.

PSTC revealed that in the first phase of the Urban Primary Health Care Project, they felt they needed to prove their credibility. PSTC got the work in the second phase because they worked efficiently and satisfied their clients and the government.

The extent to which NGOs can stick to their agendas depends on its strength in the NGO sector, networks (both formal and informal), ability to negotiate aid, and also the influence they have on the establishment.

## **5. Emergence of Relationships: Design and Formulation of Projects**

The study findings revealed that the relationship of NGOs with government has emerged through a process of contact, consultation, dialogue and workshops. All these means provided scope to get to know one another and ultimately agree to work together. It should

be mentioned here that prior contacts and consultation were useful but these did not always help the NGOs in the implementation of the project. The views of government and donors always had preference in this dialogue and consultation. Below are presented the projects we studied.

### ***Hard to Reach Children (HTR) Project***

FIVDB is currently participating in the second phase of the HTR project. The formulation of the second phase was based on the sharing of experience and learning of five better performing NGOs (including FIVDB). Prior to preparing the proposal for the second phase the five NGOs were invited to share their experience of good practices, lessons learnt and also to find out what went wrong in the first phase. These five NGOs shared their experience with the government department (DNFE), followed by one day workshop with other NGOs, government officials and UNICEF officials. The discussion was comprehensive, free and frank. FIVDB provided several suggestions to improve the implementation and activities of the project. According to FIVDB officials most of their suggestions were accepted.

In the second phase three parties (UNICEF, Ministry and DNFE) were involved in designing the project with feedback from the NGOs in a series of meetings. The outcomes of all these consultations are reflected in the project document of the second phase. The second phase of the project was based on consultation and dialogue with the prospective participants of the project.

Another outcome of NGO consultation was the decision to involve UNICEF in the bid process. Accordingly NGOs were asked to submit their bids to the Senior Operations Officer, UNICEF Bangladesh Country Office. The project proposal also stipulated that the contracted NGOs would be accountable to both GoB and UNICEF. Indeed when DNFE invited the NGOs to submit proposals for open bid, it specified 18 criteria for the eligibility of NGOs to enter in the bid process. These criteria were developed as a strategy for short-listing for final selection. In response to the advertisement, 700 NGOs submitted proposal. Of these only 20 NGOs were finally selected.

### ***Urban Primary Health Care Project***

The idea that the urban primary health care project could be implemented through Private-Public Partnerships came from a Lead Health Specialist of ADB based in Manila around 1996-97. The idea was first discussed with some senior Bangladeshi officials at the Ministry of Health and Family Welfare and Ministry of Local Government Rural Development and Cooperatives. A series of meetings was held between the ADB and the government officials. ADB appraised the prospect of such a project in Bangladesh to officials of Health and Rural Development ministry. These officials were aware that the health services were in a very poor state in the major cities and towns in Bangladesh. Since the Ministry of Local Government had responsibility for health in urban areas rather than the Ministry of Health and Family Welfare and since the Ministry of Local Government, Rural Development and Cooperatives had no health unit per se, there was inadequate management of health services in urban areas.

NGOs had already established their reputation as providers of primary health care (PHC) in the rural areas. Moreover they had good experience of motivating people and bringing them together for primary health care (PHC). This created expectations among the government officials that NGOs could fill the gap in urban areas, and ultimately ADB's

idea fell on fertile ground. At least 12 NGOs were involved in the early consultation of the development of the project. All the NGOs were enthusiastic about the idea of UPHCP. ADB at the request of Government of Bangladesh approved support of the UPHCP in 1997.

### ***Participation of UST in ASEH Project***

The Advanced Sustainable Environmental Health (ASEH) project has been promoted by WaterAid Bangladesh (WAB) since 2003. One of the major components of the ASEH project is the implementation of Community Led Sanitation (CLTS) by UST and other NGOs. In the development of the ASEH project several NGOs were involved by WAB in the consultation and dialogue that took place before the launching of the project.

Representatives of different partner NGOs who had participated in the previous two phases of WAB programmes participated in a workshop organized before finalization of the ASEH project. UST had also participated in those workshops. It can be surmised from this that the ASEH project was designed and finalized through the participation of WAB partners. A senior staff member of UST stated that NGO suggestions and advice had been incorporated in the project.

The involvement of different stakeholders in the preparation of the ASEH project ensured that the opinions of different stakeholders were given due importance and the project was formulated in a participatory way. WAB took the lead role as the INGO and local partner NGOs provided feedback to make it feasible and useful. As the main donor DFID was also instrumental in encouraging WAB to initiate the ASEH project with the involvement of local NGOs.

## **6. Preference for Direct Contracts with Donors**

NGOs prefer to directly negotiate with the donors/INGOs. This is because donor agencies listen to NGOs sincerely and are quick to respond to the problems that NGOs might face in the implementation of project activities. Donors normally circulate drafts for comment to partner NGOs prior to the signing of the contract and there was consultation and discussion on any issue that NGOs deemed necessary. NGOs prefer to work directly with the donor/INGOs because they find them less bureaucratic and more sensitive to NGOs' style of operation. NGOs point out that although the donors are no less stringent in financial matters, they are amenable to discussion and reason. Even after signing the contract the donors allow budget head adjustment if this can be justified, and they release funds on time.

The government officials are very critical of this attitude of NGOs. Officials state that government projects are bounded by terms and conditions which are intended to make the NGOs transparent and accountable. Government officials suggested that the NGOs should understand the need to work within the rules and regulations set by the state rather than according to their own rules. NGOs on the contrary, argue that all their foreign funded projects are processed through the NGO Affairs Bureau and they therefore do not bypass the state.

## **7. Relationship Dynamics**

Two distinct types of relationship can be identified from the three case studies. The relationship is determined by nature and type of funds that the NGOs receive from the donors, the nature of the agreement, and whether the contract is directly with the donors or with the government funded by donors. Informal or loose type of contracts are absent in all the three cases.

### ***Policy Context of Relations***

The case study findings reveal that relationship dynamics differ due to the difference in context and the ground level reality that the NGOs face in implementing the projects. It was found that, although NGOs prefer to work in projects directly funded by NGOs, government-NGO relations in the implementation of the project depend on the following factors:

- Government policy objectives and the mode of implementation of particular projects and activities.
- The extent to which government wants to implement projects by involving NGOs.
- The overall policy of the government regarding the involvement of NGOs in a specific sector.
- The attitude of government officials towards NGOs.

### ***NGOs as Direct Recipient of Fund: Nature of Relations***

The first type of relation develops around NGOs that receive fund directly from the donors, whether INGOs, bilateral and multilateral donors. In our case studies all three NGOs received some of their funds directly from the donors. Some of these donors are DFID, USAID, WAB and Plan International. UST receives fund directly from WAB through a contractual agreement for the implementation of the CLTS programme. Similarly FIVDB has been receiving DFID's fund to implement its primary education programme since 1998. PSTC also receive funds directly from WAB and Plan International. In all these the cases UST, FIVDB and PSTC have to take prior permission or what is called no objection certificate from the NGO Affairs Bureau. It is mandatory for all NGOs to take prior permission before accepting any fund from any foreign sources. So even in the directly funded projects government has retained control over the NGOs, although government does not interfere with the micro management of NGO project activities that are directly funded by donors.

One can compare the situation where UST's role in CLTS is funded by is compared with FIVDB's role in Primary Education being funded by DFID. The difference between the two is that while the UST has full government policy backing through the National Sanitation Strategy (NSS 2005), FIVDB does not have any such official endorsement. We can substantiate this from the findings of the case study.

In the NSS 2005 and in the Government Notification of 2004, the roles of NGOs, local government institutions and other stakeholders are clearly spelled out. Indeed the NSS provides the policy framework for the involvement of NGOs in the sanitation programme. Government appears very serious in involving NGOs in all steps in the implementation of the National Sanitation programme. Hardly any government policy notification or circular on sanitation ignores NGOs. A new programme called the 'Union Led Total Sanitation Programme' (ULTSP) has been initiated by UST with the support of Water Aid Bangladesh (WAB). One MoU has been signed in this regard endorsed by WAB and the



district government. ULTSP represents a tripartite arrangement of three parties where the NGO acts as the facilitator and collaborator with local government, with support of the INGO.

WAB played an instrumental role in facilitating the involvement of NGOs, local government and government in the sanitation programme. In the new MoU document, WAB clearly mentions several policies, strategies and guidelines of the government of Bangladesh (GoB) and declares agreement to work in line with these policies. This provision of the contract is unique in the sense that an INGO which is supporting its partner NGO makes it mandatory to work in line with government policies and strategies. WAB plays a supportive as well as facilitator role in creating agendas for public action in line with government policies contributing to the development of GO-NGO relation.

On the contrary there is no policy related to NGO provisioning of Primary Education. In the Compulsory Primary Education Act of 1990 there is no mention of NGO provision of education. The NGOs are not included in the primary education committees at the Ward, Union and Upazilla level. NGOs' role in primary education provision is not reflected on any document. Historically all governments irrespective of political affiliation have always wanted to keep the NGOs detached from primary education. Government wants to have absolute control and not to give any space to NGOs. The field level officials of both the government and FIVDB felt the need to formalize the relationship through policy guidelines.

From the experience of these two cases it is possible to suggest that even though the two NGOs have been directly receiving funds from the donors, the experience of the two is different because of differences in government policy. In one instance (sanitation) there is clear cut government policy regarding the role of NGOs and their relation with government, while in the other case (primary education) there is no enunciated government policy on NGO provision. In the two cases the source of funds is same i.e. DFID.

### ***NGOs as Recipients of Funds via Government: The Nature of Relations***

The second type of relationship is through contractual agreement with government. In our cases the projects are funded by both multilateral and bilateral donors and money is made available to NGOs through a competitive bid process and contractual agreement. FIVDB's Hard to Reach Project (HTR) and PSTC's Urban Primary Health Care Project (UPHCP) fall within this category.

In UPHCH II, PSTC has to participate in a competitive bid process. PSTC's relationship with government is guided and governed by the formal agreement that they signed. This is a contractual obligation and signing the contract means that PSTC has agreed to follow the rules, regulations and restrictions regarding the provision of services, follow stipulated procurement policy, spend money and maintain financial records as per financial rules. The government has also agreed to facilitate PSTC's activities by releasing the money on time and provide technical support and help to solve any problem that might crop up in the implementation process. In contracting out to NGOs the contract papers were designed by government and NGOs were not given scope to present their comments on the contract.

In the HTR project, FIVDB has to participate in a competitive bid with about 700 other NGOs. Out of these only 20 NGOs were selected through a committee for the second

phase. After the selection process was completed FIVDB along with other NGOs signed the contract. FIVDB views all such contracts as problematic differing only in degree. Government always tries to keep control. Agreements are prepared in such a way that the participating NGOs have little freedom but have to yield to government “pressure”. Sometimes government interprets clauses of the contract to its advantage and to keep control of the NGOs. Although both the agreements which FIVDB has signed with DFID and government are formal, there are differences between the two agreements. DFID’s agreement is based on consensus and understanding, and is flexible. The government agreement is more authoritative and top down, leaving almost no scope for any change and adjustment. Government contracts are vertical and hierarchal. The relationship is directional and dominating.

### *Attitude of the Bureaucracy*

The attitude of bureaucracy significantly conditions the GO-NGO relations in service provisions by NGOs. Interviews with government officials revealed that although publicly many government officials talk about the contribution of NGOs, in private they are very critical about NGO activities, the life-style of senior NGO officials, quality of NGO staff, cost-effectiveness, and financial transparency and accountability of NGOs.

Department of Public Health Engineering (DPHE) engineers think that NGO activities are not cost effective. NGOs spend large amount of money but their achievement is not great. They work in isolation from government and get too much publicity which does not reflect their actual achievement. NGOs sometime misuse money. Engineers argue that NGOs should work within the public policy framework and should coordinate their activities with government policy.

In education some government officials do not even recognize NGOs’ provision of primary education. One director of the Department for Primary Education commented that “education at the primary level is very critical and government is not willing to share this responsibility in a large scale manner with the NGOs, and that their role had become politically controversial”. The Programme Officer of the HTR project was critical of NGOs’ role in development. According to him “currently no NGO pursues the vision of social service. Social service orientation of NGOs is already gone. All NGOs want to make profit through different strategies.”

There is a feeling among government officials that NGO staff are “less educated”, ‘unqualified’, ‘inefficient’ and ‘corrupt’. According to them, with some few exceptions, NGO officials do not have the background and competence to become government officers. Many NGO staff members in our case studies stated that government officials did not accept them as equal partners in development. One field staff member expressed his feeling by saying that “we are still scheduled caste to government officials”. ...“government officials do not show simple courtesy, misbehave and do not show any respect to them when they visit NGO offices”.

### *Views on whether NGOs are ‘Contractors’ or ‘Partners’*

NGOs in the case studies were dismayed that they were losing their voluntary image by participating in competitive bids against other NGOs. Although in government projects NGOs are selected through competitive bids and are treated like contractors, in reality they are not guided by the same principles under which a private contractor implements a project. Unlike the latter, NGOs are not allowed to implement the project as they wish and to make profit. NGO activities under a contractual agreement are bounded by strict conditionalities within the contracts. NGOs argued that, if they were to be treated as contractor, the terms and conditions should be the same.

In government projects NGOs are actually called ‘partners’ and not contractors, but this terminology is also contested by the NGOs. Government attitudes towards NGOs are negative and suspicious which does not help in the development of true partnership.. Some of the terms and conditions of contract are very rigid and impinge upon the proper implementation of the project. It was pointed out by one NGO official that the bid process destroys the spirit of partnership, and precludes the development of partnership between government and NGOs. This was bidding as for any other work (say, road or building construction, power plants etc).

### **A Comparative Synthesis of Issues Emerging in the Case Studies**

<b>Cross Cutting Issues</b>	<b>Sanitation-UST Case</b>	<b>UPHCP-PSTCCase</b>	<b>Primary Education-FIVDB Case</b>
State of the Organisation	Second generation NGO. Focus is on institution-building for women. It is involved in Watsan activities.	Previously a quasi government organization provided technical and capacity building support to NGOs in health and family planning. PSTC is also second generation NGO. Currently its main focus is on health related issues.	First generation NGO has its main focus on on education.  Currently expanding its activities to other areas such as, micro credit.
Vision of Public Action	No specific vision and mission statement at the early stage of its inception. But it adapted to the changing situations by rewriting its objectives and delineating its mission statement.	Its mission statement was implicit in its objectives and guiding principles. But later it came out with a specific mission and vision statement.	The organization did not have any mission and vision statement which was only articulated in the year 1996.
Governance and Leadership	All the three NGOs follow a three tier governance structure. The day to day activities are looked after by the senior management team. The Executive Board or Council is the highest policy making body. The decisions are taken with the participation of all the senior staff of the NGO. The sharing of information at the lower levels is vertical and there is no systematic exclusion of anybody in sharing information. No clear cut succession planning can be observed.		
Nature and Status of Partnership	UST implements project through direct funding from the WAB and also contracted projects from the government. The process of direct funding has created scope for GO-NGO relations. INGO has facilitated and created scope in the development of GO-NGO relations. In CLTS,	In the development of the UPHCP the NGOs were consulted and by and large the implementation of the project was smooth in the first phase. In the first phase, implementation arrangements were simple but in the second phase several layers were created	In primary education there is no formal relationship with the government or with the officials at the field level. There is no official policy guideline defining the relationship of government with NGOs.  The implementation of the

	<p>government officials, UP members and chairman and the community are involved.</p> <p>UST won government contracted projects through competitive bid process. The projects are implemented through agreements which are quite comprehensive but many terms and conditions of the contract are very rigid which constrain its freedom of public action.</p>	<p>which complicated the implementation arrangements.</p> <p>Although theoretically NGOs were treated as partners, in reality NGOs think that this is no real partnership. A question is raised whether NGOs are partner or contractor. Bid process through which NGOs were awarded the work destroys the spirit of partnership.</p> <p>There is a feeling that NGOs are contractor so they should be allowed to make profit like other contractor of the government.</p>	<p>HTR project is in direct relation with government through contractual agreement. NGO has to implement the activities of the project spelled out in the agreement.</p>
Nature of Agreements	<p>UST's agreement with WAB based on mutual discussion, consensus and agreement. The terms and conditions of government contract are set by the government. NGO does not have any say on the terms and conditions of the contract.</p> <p>Relation with WAB is horizontal while with government this is vertical and top down.</p>	<p>PSTC got the work through a competitive bid process. Prior to the award of the work PSTC has to buy a bid document which was a comprehensive. Even there was a dummy agreement which PSTC has to accept in full. No revision and changes in the contract has been invited.</p> <p>Real spirit of partnership has been absent. PSTC thinks that the bid document is a hindrance to developing any fruitful relation based on dialogue and discussion.</p> <p>PSTC finds government contracts are vertical and hierarchical. Nothing is changed once the contract is signed.</p>	<p>FIVDB finds its contract with DFID is flexible as opposed to government contract which is rigid.</p> <p>In DFID project there is more freedom to work and also to initiate new ideas. No unnecessary interference from the DFID management.</p> <p>The opposite is the case of government contracts which are rigid and bureaucratic. Government constantly interferes. Freedom is very much conditioned by contractual terms and conditions. Government officials lack trust on NGO.</p>
Role of donor and sources of funding	<p>WAB is the core donor of UST. Other sources of funding include fund from government contracted projects.</p> <p>UST has also some other sources of funds but these are small.</p> <p>Absence of regular sources of fund and inability to generate internal source significantly constrain its ability to implement project.</p>	<p>PSTC receives fund from two sources, external and internal. The external fund originates from project based donor contributions and fund from the contracted project. The internal revenue is generated from the service delivery projects.</p> <p>Currently UPHCP which PSTC has been implementing in PA areas of Dhaka and Rajshahi City Corporations also constitute</p>	<p>FIVDB's funds are generated from two sources. The first source is the INGOs and the second is the bilateral donors. Recent uncertainties regarding the regular flow of external fund and change in aid modality by donors have put many established NGOs like FIVDB to financial insecurity to continue their core activities. FIVDB has been gradually</p>

		<p>important sources of fund for the implementation of the project. However, the budget for each year in UPHCP has been already decided by the terms of the contract and PSTC has little freedom in undertaking any activity or in making head adjustment beyond what is already agreed in the contract.</p> <p>The shrinkage of external sources of fund is a serious concern for the NGOs in Bangladesh</p>	<p>dragged into government programmes through contractual agreement.</p> <p>Since 1994 FIVDB has been implementing several projects through contractual agreements with government. Before 1994 the relationship was collaborative and informal but in recent years this has become formal guided by the terms and conditions written in the agreement.</p> <p>Currently FIVDB has been implementing three projects contracted by government supported by UNICEF.</p> <p>The shrinkage of external sources of fund is a serious concern for the NGOs in Bangladesh</p>
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## 8. GO-NGO Relations: Main Conclusions

Historically NGOs in Bangladesh evolved within a context which was favourable at the outset and government provided a good deal of space by supporting NGOs role in service provision. Immediately after the liberation of Bangladesh the need for relief and rehabilitation and later in the areas of health, education, agriculture and also water and sanitation created scope for the NGOs to provide services in these areas. Government was unable to manage and to fulfill the need of the population. It found that some NGOs were quite efficient in providing basic services. This created an initially positive environment for the development of GO-NGO relations.

NGOs in Bangladesh work within the framework of different laws and regulations enacted by government. The establishment of the NGO Affairs Bureau reflected government policy to bring NGOs under tighter control, make them accountable and transparent and to enable smoother working relations. The tightening up did not discourage the opening of new NGO and indeed there has been a robust growth in their number, an increase in the nature and type of activities and also an increase in the amount of fund received by NGOs. This is because government could not meet the demand for different services for the growing population and NGOs took this opportunity to fill the gap.

However, the case studies reveal that NGOs have been experiencing a declining trend in direct funding due to changes in donor funding. This has put the NGOs into an uncertain situation which has a direct impact on their capacity for public action and basic service provision. Some NGOs have adjusted their missions and visions in order to correspond with donor policies and enable access to funding.

The notion of PPP promoted by donors for bringing NGOs into service provision via government provide an opportunity for NGOs to provide services but also bring more stringent terms and conditions stipulated in contractual agreements. These constrain the freedom of NGOs to implement activities creating a type of 'regulated relationship'. Since direct funding has been shrinking, NGOs foresee that contracts with government funded by donors are the shape of the future, but NGOs participate in contracted projects unenthusiastically. The conditions attached to government contracts create tension, mistrust and misunderstanding.

In public discourse government officials describe NGOs as important actors in service provision but in private they are very critical of NGOs' motive, cost effectiveness, corruption, accountability and transparency. The mindset of government officials is still that 'they are in control' which conditions the relationship between government and NGOs. Although Bangladesh has the largest and most vibrant NGO sector in the world and the sector is still growing, the relation of NGOs with government is still uncomfortable.

## **Annex: The three Case Study NGOs in Bangladesh**

### **Case 1: Friends in Village Development Bangladesh (FIVDB)**

FIVDB was formed by a group of International Voluntary Services (IVS) workers and has been working as a national non-governmental and non profit organisation since 1981. FIVDB is one of the few NGOs which has evolved locally from the Sylhet region and gained national reputation and recognition. The principal mission of FIVDB is the establishment of a society by providing need based appropriate education and also to contribute towards educational and socio-economic empowerment of disadvantaged women, men and children. The founder of FIVDB was inspired by Paulo Freire's work on education and the transformative role it could play to bring out changes in the society.

FIVDB undertakes projects which ensure peoples' participation and also support government policies and programmes. Currently FIVDB has been implementing programmes which directly help to achieve government objectives and also MDG's goal. For example, its Child Education Programme directly supports government policy of "Education for all". Its participation in the Hard to Reach Children project is an of non formal need based education. A large component of FIVDB's public action is actually designed to fulfill the requirement of government policies.

In 1997, the different programmes of FIVDB were restructured to rationalise and synthesise the existing programmes under four main headings: Child Education Programme, Functional Literacy Programme, Livelihood Enhancement Programme and Integrated Financial Services Programme. The activities of FIVDB are overseen by a governance structure including General Committee, Executive Board and Senior Management Team. In spite of its ground breaking activities and reputation FIVDB maintains a low profile. FIVDB is active in lobbying and advocacy through NGO coalitions and civic networks.

FIVDB's funds are generated from both external and internal sources. Since its inception FIVDB has received fund from Christian Aid, Action Aid, Save the Children UK and USA, Swiss Development Cooperation (SDC), USAID and DFID. Among all these donors only four DFID, CA, EZE and ICCO constitute core donors of FIVDB. Among these DFID has been supporting its CEP programme since 1999. Other core donor is Christian Aid (CA) which has been supporting FIVDB for the last 20 years.

All funds are used following financial rules and manuals of FIVDB and government. FIVDB has its own financial rules which are standardised and conform to the national and international standard. All expenses are made according to the budget following agreed financial rules with donors and government

### **Case 2: Population Services and Training Center (PSTC)**

PSTC emerged as an NGO in 1994 by decision of the government, and has since maintained relations with the NGOs it was set up to support. So PSTC does not owe its origin to any individual or group of individuals; rather it developed on the basis of a government intention to turn it into an NGO.

The focus of its public action is health, security and living conditions and the target is the "disadvantaged and poor people of Bangladesh. PSTC's vision of public action has been influenced by its previous engagement with government and activities it conducted related to health and also to serve the poor and the disadvantaged. PSTC operates in 14 districts located in the Dhaka, Chittagong, Rajshahi, Sylhet and Barisal divisions where it has been implementing programmes in health services delivery, environmental health, child and adolescent development, governance and rights, HIV/AIDS, poverty reduction, education, training and communication, disaster preparedness and management programme.

Health Service Delivery is the principal focus of PSTC's health related activities. PSTC provides what is known as an Essential Service Package to the people. The components of ESP include child health, reproductive health, communicable disease control and limited curative care. Currently PSTC operates under contract to government 28 static clinics and 198 satellite clinics all over the country. One of the three principal activities is the Urban Primary Health Care Project which was the focus of the case study.

The resources of PSTC are derived from external and internal sources. The external funds originate from project based donor contributions and from contracted projects. The internal revenue is generated from service delivery projects by charging fees for services, collection of fees for conducting training, workshop and seminar and subscriptions from members. The external fund come from NGO Service Delivery Programme (NSDP), ADB, UNFPA, WaterAid Bangladesh, Plan Bangladesh, Action Aid Bangladesh and others.

### **Case 3: Unnayan Shahojogy Team (UST)**

The initiative to establish UST as a voluntary organization in 1985 was undertaken by one individual who envisaged that NGOs should exist to work with the poor and the poorest of the poor. His initial vision was to combine advocacy and help the poor to become self-reliant and sustainable in the long run. UST's vision and mission of public action has developed through a process of evolution.

In case of sanitation UST's vision of public action is geared to supporting government's goal of total sanitation by 2010. UST has been implementing Community-Led Total Sanitation (CLTS) programme by involving the community, local government and government officials. UST can be seen as a second generation NGO in Bangladesh. In recent years UST has been demonstrating an increasing interest to participate in activities contracted out to NGOs via government. Its participation in so many projects with government demonstrates its increasing engagement with government. There is a debate within the UST regarding to what extent these involvements support UST's organizational mission and vision.

Since its inception, UST has maintained a distinct focus on women's organization and empowerment. However, on the advice of WaterAid it has adjusted this to an orientation on the community as a whole in the CLTS programme. It has received funds from two sources: direct funds from donors and funding to implement government projects through contractual agreements. The first type of fund is mainly received from INGOs, particularly WaterAid, the Rabobank Foundation and Stichting Kinterpustzegels.