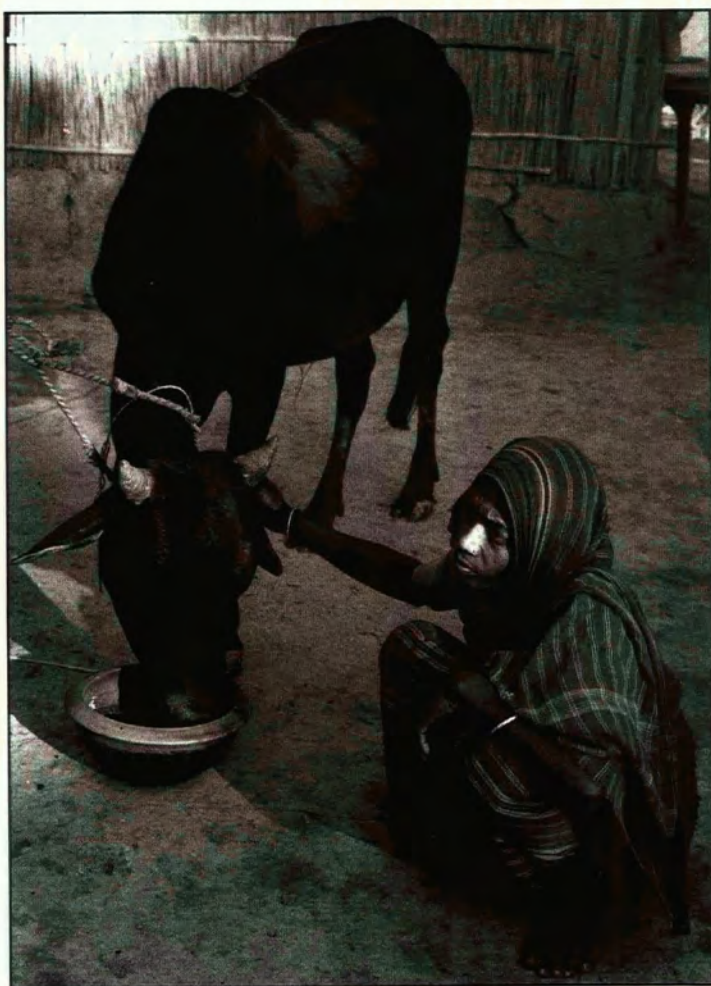


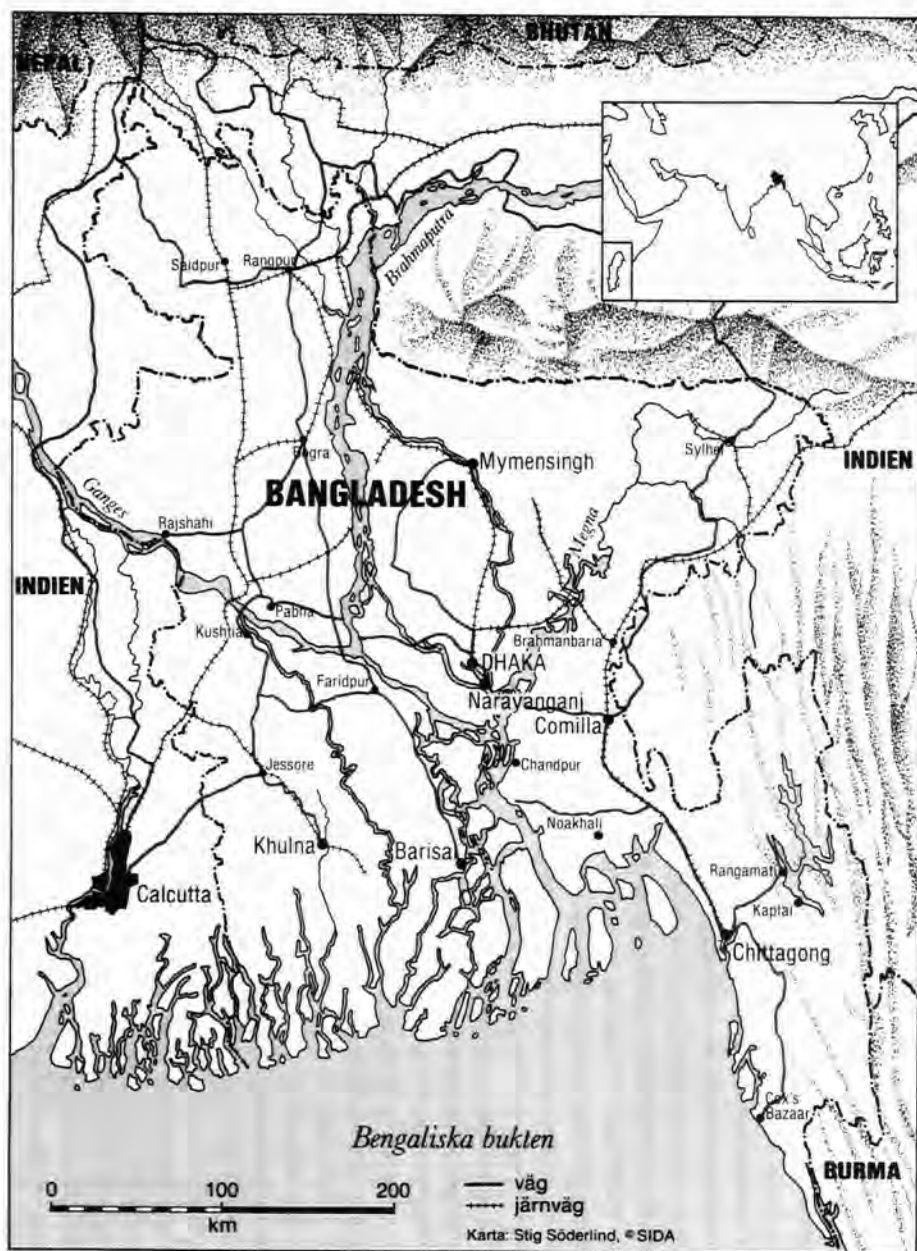
ROUTES OF FUNDING ROOTS OF TRUST?

*An Evaluation of Swedish Assistance
to Non-Government Organisations in Bangladesh*



BY DAVID LEWIS, BABAR SOBHAN AND GÖRAN JONSSON

MAP OF BANGLADESH



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ACRONYMS

ADAB	Association of Development Agencies
ADRA	Adventist Development and Relief Agency
BAMNA	Bangladesh Mukto Nirbachan Andolon
BDRCS	Bangladesh Red Crescent Society
BIFO	Biståndsinformation
BRAC	Bangladesh Rural Advancement Committee
BRDB	Bangladesh Rural Development Board
BSD	Bistånd i Siffror och Diagram
BURO	Bangladesh Unemployed Rehabilitation Organisation
BWHC	Bangladesh Women's Health Coalition
CAMPE	Campaign for Mass Popular Education
CNBPP	Comprehensive Nutritional Blindness Prevention Programme
CUSO	Canadian University Service Overseas
CWFP	Concerned Women for Family Planning
DCO	Development Cooperation Office
IFDRC	International Federation of Red Cross and Red Crescent Societies
GEP	General Education Project
GSS	Gono Shahajjo Sangstha
IDP-LGED	Infrastructure Development Project-Local Government Engineering Division
LCS	Labour Contracting Societies
MR	Menstrual Regulation
MRTSP	Menstrual Regulation Training and Support Programme
NORAD	Norwegian Agency for Development Cooperation
ODA	Overseas Development Administration-UK
PEP	Productive Employment Project
PMU	Pingstmissionens U-landshjälp
RDRS	Rangpur Dinajpur Rural Service
RESP	Rural Employment Sector Programme
SFM	Swedish Free Mission
SHIA	Swedish Organisation of the Handicapped International Aid Foundation

SIDA	Swedish International Development Authority
SMR	Svenska Missionrådet
SPNS	Saptagram Nari Swanirvar Parishad
SUS	Sambalay Unnayan Samity
WID	Women in development
WIF	Worldview International Foundation
YMCA	Young Men's Christian Association
ÖM	Örebro Mission

EXECUTIVE SUMMARY

This report compares direct and indirect funding of NGOs by SIDA in Bangladesh. The direct funding strategy (which is an unusual one for SIDA as a whole) has evolved in Bangladesh due to the relatively well-developed national and local NGO sector which exists in that country. Meanwhile Swedish NGOs have continued to operate in a wide variety of activities in Bangladesh, working with their Bangladeshi NGO partners, or in a few cases, implementing their projects directly.

In the case of the direct funding approach, the study team found that SIDA's DCO in Dhaka has generally built good relationships with a number of influential Bangladeshi NGOs and has given flexible, streamlined support within a largely 'hands off' framework. Direct assistance has fitted well with SIDA's overall aims and with Swedish bilateral assistance. However, part of this success has been due to the long experience of some DCO staff in Bangladesh, particularly with NGOs, and there is a potential danger that some knowledge and efficiency could be lost in the course of future personnel changes.

Indirect funding has been less effective in terms of SIDA's overall goals in Bangladesh. Many Swedish NGOs continue to be involved in some of the more 'traditional' NGO activities (clinics, credit, income generation etc.) which, while arguably useful in themselves, fail to capitalise on the wider potential of Northern NGOs to provide more specialised support, or to continue raise the awareness of the Swedish public as far as Bangladesh is concerned. Such activities may also fall short of SIDA's expectations as far as sustainability is concerned.

In general, the two modes of funding complement each other quite well. Many of the Bangladeshi NGOs who worked previously with Swedish NGOs, and were originally identified by them as development partners, have graduated to work directly with the SIDA DCO.

However, this study argues that Bangladesh provides a valuable opportunity for Swedish NGOs to rethink their roles as Northern organisations in the face of increasingly capable Southern counterparts: roles which might include more networking, information exchange, training and advocacy than conventional 'operational' roles.

Although Bangladeshi NGOs have evolved as a specific consequence of the country's recent history, there may also be general lessons which can be learned. SIDA and the Swedish NGOs would therefore be wise to look to the Bangladesh experience for partnership guidelines elsewhere, as other countries begin to develop stronger national and local NGO capacities over the coming years.

Part I.

SIDA, NGOs and Bangladesh

INTRODUCTION

The present study

This report represents the second part of a two-part study of Swedish NGO support in Bangladesh, which has been initiated by SIDA's Dhaka Development Co-operation Office (DCO).¹ The first part was published in May 1993 and provided a general description and analysis of the development NGOs in Bangladesh as well as exploring issues of relevance for Swedish aid policy in Bangladesh. The study argued that the growth of private development agencies in Bangladesh was chiefly due to the weakness of the state during the 1970s, and that while NGO service delivery performance has been impressive, doubts exist regarding the impact and sustainability of NGO activities. The report also questioned the accountability between the popular organisations and the NGOs which create and support them.

The present report continues the themes developed by the earlier study, particularly the issues surrounding the two modes of funding to NGOs in Bangladesh: direct support to Bangladeshi NGOs and indirect support through Swedish NGOs. The present report develops many of the concerns of the earlier study, but does not necessarily share its views. However, the reader is recommended to consult the earlier report for the descriptive background information concerning the NGOs, both Bangladeshi and Swedish, who receive assistance from SIDA.

Methodology issues

This report was researched and written during February-March 1994 in Sweden and Bangladesh. There were three phases of research and writing. The first was a four day visit to Stockholm by David Lewis and Göran Jonsson for preliminary discussions with Swedish NGO staff and SIDA officials. The second stage was an eighteen day stay in Bangladesh during which the team, joined by Babar Sobhan, interviewed NGO staff and key members of the SIDA DCO team in Dhaka. The final phase was a six day writing up and workshop session in Stockholm by the whole

1. "Private development agencies and popular organisations: fact-finding for the study of Swedish direct support to NGOs in Bangladesh", by Jan Valdelin and Zainab Akhter.

team. Comments from SIDA Stockholm and from the DCO have, where appropriate, been incorporated into the final draft of the study.

The terms of reference for the study (included as Annex III) are quite broad and the research for the report could therefore have been undertaken in a number of different ways. After discussion, the study team decided to concern itself with NGO, government and donor perceptions of the policy issues which surround the two different modes of NGO support, rather than with detailed field level investigation of NGO activities.

Information was collected from project documents (reports, evaluations and statistics) and through semi-structured interviews with key individuals (see Annex II for details).

Swedish aid policy

All Swedish development assistance is guided by a primary objective which is to improve the living standard of the poorest people. The Swedish parliament has therefore adopted a five-point set of development assistance goals, the first four of which were adopted in 1978 and a fifth in 1988:

- i economic growth;
- ii economic and social equality
- iii economic and political independence
- iv democratic development
- v environmental quality

While each development assistance input may not fulfil all five goals simultaneously, there is a requirement that it should not work against any of them. There is no formally-stated NGO policy for SIDA aside from these general guiding principles, to which NGO activities must comply.

However, a recent set of guidelines prepared by SIDA in Stockholm contains a short outline which explains the thinking behind SIDA's general support to NGOs, which is worth summarising here.² It is stated that NGOs must contribute a minimum of 20% towards total project costs. In order to qualify for SIDA funds, NGOs must also be non-profit organisations, have a democratic structure and possess the ability to implement planned projects.

Further to these long-standing principles, there are some newer, recently-added criteria: NGOs applying for SIDA funds must ensure that their activities are sustainable and must support development towards democracy. Projects for which SIDA support is requested should be prepared jointly by the Swedish organisations and their cooperating partners.

² "SIDA's Strategies", Stockholm, June 1993: 34.

The document locates the NGOs within the context of growing democratisation on the one hand, and privatisation on the other, and suggests that cooperation with Swedish NGOs can enhance the capacities of these organisations. NGOs are seen as important to SIDA because they often reach underprivileged groups which tend to lie beyond the reach of inter-governmental aid. At the same time, it is stated that support to Swedish NGOs

... provides a way of stimulating people's interest in development issues in Sweden. This should increase the public awareness of international development trends, of the role of development cooperation, and of how worldwide changes may influence Swedish society.

The DCO has also drafted some informal guidelines for direct funding of Bangladeshi NGOs.

There are several distinctive features of Swedish development assistance which should be mentioned briefly. The concept of mutual trust is an important guiding principle for SIDA's relationships with its partners and helps to define the relationship between SIDA and NGOs. The 20:80 funding ratio is a long-standing guiding principle, developed in order that Swedish NGOs could gain access to SIDA funds, while at the same time ensuring the NGOs' own participation and commitment.

It was once the case that NGOs submitted individual project proposals to SIDA. Gradually, the practice evolved in which block grant agreements were drawn up between SIDA and the larger NGOs in order to improve administrative efficiency. Eventually all NGOs became covered by block grants, either directly to larger NGOs or via apex funding bodies (such as BIFO) to cover the smaller NGOs. BIFO receives money from SIDA which it then distributes to small NGOs.

Swedish NGOs have privileged status in their dealings with SIDA. It is relatively rare for SIDA to turn down a project application for co-funding under the block grant system, as long the proposal is in line with the above five goals.

Swedish assistance to Bangladesh

Swedish bilateral cooperation with Bangladesh began in the Pakistan era and Sweden's first long term country agreement with Bangladesh was signed in 1972. Initially SIDA's programme was dominated by import support. The major sectors for cooperation emerged as agriculture/rural development (the Deep Tube-well project), health/family planning (the Bangladesh Population and Health Project consortium) and education (vocational training).

By the late 1970s SIDA had begun to question whether the Swedish aid programme was meeting development objectives in Bangladesh. Import support was creating dependency, it was argued, while project aid was not reaching distributional objectives. After a long period of internal discussion (during which a complete termination of Swedish aid was considered), it was eventually decided

to phase out import support on the one hand, and adopt a target group approach on the other, within the health, education and rural development sectors.

However, the process of transformation was very slow as existing projects took many years to complete their cycles, and SIDA found itself, as a result of the new poverty alleviation strategy, involved more and more in the day to day issues of direct project planning and negotiations with project partners.²

³ See "In support of Asian development: Lessons learned and the experience of donors - a basis for a Swedish agenda", Stockholm, Ministry for Foreign Affairs, 1992.

NGOs IN BANGLADESH

The growth of NGOs in Bangladesh

The origins of many of Bangladesh's NGOs can be found in the aftermath of the Liberation War of 1971: in the processes of reconstruction and in the relief effort which was mobilised after the 1972 cyclone which immediately followed Independence. Gradually these organisations grew in size and in scope, shifting from a relief to a development focus. In particular, they worked with the growing numbers of landless rural people, a target group whose needs were generally ignored by government agencies. The subsequent development of the NGOs, and current relationships with the government, are discussed later in this chapter.

The history of Swedish NGOs in Bangladesh is obviously very different, although like the Bangladesh NGOs, their work in Bangladesh evolved in many cases from post-1971 relief efforts. From this initial relief perspective, many then started to move towards development objectives.

Swedish NGOs were driven by various agendas and answered to different constituencies back in Sweden. For example, the Swallows developed out of the humanitarian concerns of the Emmaus movement, while DIAKONIA and the SFM grew from different sections of the Swedish Church. Other sections of Swedish society reflected in its NGOs were the trade unions and the cooperative sector, as well as the international humanitarian federations such as the Red Cross and Save the Children, which affiliated with Swedish counterpart agencies.

There are twelve Swedish NGOs presently working in or funding projects in Bangladesh, a surprisingly high number given that Sweden is a small country and that there are no historical links between Sweden and Bangladesh. Seven Swedish NGOs came to Bangladesh immediately after independence and began implementing their own projects. A continuing preoccupation with implementation delayed links with the growing local NGO movement, but partnership with Bangladeshi NGOs gradually developed, changing the role of some Swedish NGOs from direct implementation towards partnership and funding roles. In some cases Bangladeshi partner organisations quickly out-

grew their donor NGOs and went to SIDA for direct funding. This was the case for Swallows in the case of Proshika and DIAKONIA with regards to BRAC and GSS.

The work of many Swedish NGOs remains influenced by this history. For example, Lutherhjälpen is still committed only to RDRS and the SFM to work, mainly on Bhola island, which it established in 1970. Radda Barnen still has its Mirpur clinics and the Swallows work with Thanapara village (though both have tried to end direct implementation of these projects). The composition of the DIAKONIA-assisted BBSS still reflects DIAKONIA's early project involvement in Mymensingh and Rajshahi districts.

These long-lasting relationships constitute a potential advantage of the Swedish NGOs. While it was clear from our interviews and observations that these relationships have not always led in the right direction, they do form an important legacy of knowledge and experience.

There are now believed to be as many as 18,000 NGOs registered in Bangladesh, but this covers a variety of organisations from youth clubs to religious organisations. This report confines itself to the category of NGOs as development agencies, which includes to major sub-categories: professional private development organisations and membership organisations. The NGO Affairs Bureau has registered 849 Bangladeshi and 130 foreign NGOs engaged in development work and cleared by the government to receive foreign funding.

It is difficult to sustain broad generalisations about differences between types of NGOs. For example, it is not always possible to make clear distinctions between national and international NGOs in terms of strengths, weaknesses and roles. Though it is an international organisation RDRS, funded by the Lutheran World Federation, possesses many of the characteristics of a national NGO. It is concerned primarily with national issues and is not very outward-looking, staffed primarily by long-term local personnel with only an expatriate director, changed on a regular basis.

Activities carried out by NGOs

NGOs are diverse in their nature and their activities, but it is possible to outline four major roles which they undertake in Bangladesh, often in combination within the same organisation:

- (i) service delivery
- (ii) social mobilisation
- (iii) campaigning, advocacy and networking
- (iv) technology development

In this report, we consider it important to make a distinction between the more 'operational' activities, such as service delivery and extension, and 'nonoperational' ones, such as advocacy, networking and social mobilisation (Box 1).

The major Bangladeshi NGOs, such as BRAC, Proshika and GSS (and to some extent Grameen Bank, a 'quasi-NGO') have pioneered an approach which seeks to work with rural and, more recently urban, landless households through a combination of consciousness-raising (for example, about rights under the law), service provision (such as credit for income generation, education and healthcare) and group formation (for building solidarity between disadvantaged households). Some NGOs have combined these with wider lobbying and advocacy for legal and policy reforms. The Swedish NGOs and their partners too have a diverse set of roles in Bangladesh. These broadly mirror the national and local NGOs' efforts, though some have found themselves unable to move away from more traditional service roles, such as running local clinics. The particular opportunities for international NGOs to provide specialised support to local NGOs (aside from mere funding) and their advantageous position for internal networking and lobbying are only beginning to be explored by most Swedish NGOs.

Box 1 - NGOs: Service delivery channels or popular movements?

One of the main obstacles to improved NGO-Government relations has been a tendency on the part of the government to treat NGOs as mere implementors of policy - policies that they more often than not NGOs played no part in forming. This raises the question of how NGOs choose to define themselves. In the context of Bangladesh, two distinctive models have emerged - the 'corporatist' model embodied by BRAC and the more 'populist' one embodied by NGOs such as Proshika and GSS. In the former case, NGO achievements have been defined primarily in terms of low-cost service delivery. For example, BRAC argues that its Non-formal Primary Education programme is both better and cheaper than the existing government system. NGOs such as Proshika and GSS take a broader view in emphasising both policy inputs and wider access by the poor to rights and resources. Donors have urged government to work with NGOs because of their perceived comparative advantage. However, this donor pressure runs the risk of perpetuating a view of NGOs as service providers at the expense of a more varied NGO role in civil society.

Changing government/donor policies towards NGOs

A succession of military governments in Bangladesh saw the growth of a local NGO sector as a threat to both their access to foreign funds and to their legitimacy, especially as many NGOs began the almost inevitable shift from relief activities

towards longer-term development work. Much of this work was a direct response to the failure of government agencies to deliver basic services and respond to essential needs. Some of the NGO leaders were former student activists, who found comparatively sheltered arenas for progressive work within the precarious climate of authoritarian rule.

However, opposition political parties, including those on the left, looked on with alarm as NGOs began to link with their erstwhile constituencies (i.e. the rural poor) and with suspicion as they received increasing quantities of foreign funds. The availability of these foreign funds drew many NGO field workers away from the cadre ranks of political parties towards the NGOs. This process was seen by some on the left as undermining the potential for a genuine mobilisation of the poor by focusing on the symptoms rather than the causes of poverty.

While many Bangladeshi NGOs were initially funded by international NGOs such as Swedish Swallows, CUSO and Oxfam, there were few questions asked about their relationship with government at this time and the NGOs were largely seen by the government as general welfare agencies. However, as they grew in size, NGOs began to access funds directly from foreign donors, many of whom viewed NGOs as dynamic alternatives or complementary support to government-based assistance. By the late 1980s, a polarisation of views existed in Bangladesh about the role and the status of the NGOs, supported with very little informed public debate. Relations between NGOs and government, at least at the formal level, became generally poor.

A reaction to these problems was the establishment of an NGO Affairs Bureau by the government in 1989. The aim was to speed up processing of the growing flow of NGO project proposals which required approval by government, while creating a new mechanism for the government to monitor resource flows to NGOs and NGO activities around the country. The government felt that NGOs needed to be regulated as part of civil society rather than simply standing apart from it. Despite NGOs' misgivings regarding this new layer of bureaucracy for them to deal with, this new policy contributed to the opening up of many NGOs to the possibilities of working constructively with government. But relations remain highly dependent upon personalities (Box 2).

Some NGOs, keen to avoid creating parallel service delivery structures to government, had begun working out varying degrees of *ad hoc* partnerships with government agencies at the local level in areas such as livestock, education, poultry, social forestry and health.⁴ Some of these have proved quite successful, as have a number of NGO efforts to contribute to policy formation, such as in fisheries.

The popular movement which removed General H.M. Ershad, the former ruler of Bangladesh, from power and restored democracy in 1990-91 brought NGOs -

⁴ For more details see Bangladesh case studies and overview in "NGOs, agricultural technology and the State in Asia" edited by John Farrington and David Lewis, London, Routledge, 1993.

***Box 2 - The government, personalities and NGO relations:
"only a few people matter"***

A very small educated elite, connected by family and friendship, tends to dominate the decision-making process in Bangladesh.⁵ The personalised decision-making framework is reflected in changing relationships between NGOs and government. Successful NGO-GO collaboration has usually reflected a good personal relationship between counterparts rather than the institutionalisation of cooperation on the basis of mutual benefit. There has therefore been a lack of coherent and consistent government policy towards NGOs. For example, the first head of the NGO Bureau, Kamal Siddiqui, was a university contemporary of several NGO leaders. This was a major factor in enabling NGOs to sit with the Bureau and develop constructive relationships, and counter much of the suspicion that surrounded NGOs. However, these relationship did not graduate beyond the merely personal. The subsequent appointment of a 'fundamentalist' as Director coincided with a period of extreme tension and uncertainty within the NGO community as the Bureau attempted to revise the rules and regulations governing NGOs and to impose additional conditionalities on NGO activity. More recently, NGOs leaders have been more optimistic about their relations with government after the appointment of Mr Ahab Ahmed as head of the Bureau, who had quite progressive plans for cooperation with NGOs. But as is often the case in Bangladesh, officials do not remain in the same post for long. The day after our meeting with Mr. Ahmed, we were informed that he had been transferred to another position within the bureaucracy and it is now unclear who the next Director will be and the implications of the appointment for NGO-GO cooperation.

despite their late formal entry to the pro-democracy movement - new space and an added respectability. This was further re-emphasised by the NGOs' roles in monitoring the subsequent general election. With retrospect, it is clear that the events of 1991 marked the beginning of the NGOs' direct participation in processes of democratisation and the re-activation of Bangladeshi civil society entered a new phase. The NGOs' relations with both the government and with civil society began to develop in potentially constructive ways. However, Swedish NGOs have so far played only a marginal role in these changes.

Today the government's attitudes to the NGOs remains complex, ambiguous and by no means homogeneous across different government agencies. Personalities remain very important in NGO/GO relationships. Depending on the views of the individual in charge (who may be replaced several times in a year), the NGO

5 "Fresh Look at Bangladesh", by Holmberg *et al*, 1993:4.

Bureau can veer from a generally supportive position in relation to the NGOs to one of explicit interference, such as insisting that credit programmes are added to NGO programmes even where none was planned (see Box). During a particularly difficult period for NGOs' relations with the government in 1992, the fragility of this relationship was expressed through problems created in certain quarters of government for a number of NGOs concerned with assistance to women and some with a Christian orientation.

Evolving expectations: accountability, democracy and governance

In the early 1990s certain sections of the NGO community, through the umbrella organisation ADAB, began to recognise a gap between the NGOs and the rest of the community, which had widened during the previous decade. There are a number of reasons for this. The restoration of political democracy in 1991 had helped re-orient ADAB and the NGOs towards developing wider agendas within civil society. Meanwhile the newly-stated "good governance" agendas of some of the foreign donors, along with a growing interest and recognition in the potential role of NGOs in democratisation, all began to contribute to an atmosphere of intense expectation.

In the past year or so, NGOs have begun to make more efforts to communicate with journalists, community groups, opposition political parties and trade unionists. This campaign has met with some success, but there is still a long way to go. There remain strong interest groups within government and the media who still maintain a resolutely anti-NGO position, using the language of religious fundamentalism, anti-feminism, lack of accountability or anti-colonialism to stir up public concern about the NGO sector. However, rarely do these populist critiques further the public debate about NGOs, and are instead concerned with vague assertions and occasionally, with complete fabrication.

On the other hand, there is a growing acknowledgement that NGOs are rooted in Bangladeshi society and are therefore to be held in a greater level of accountability within civil society. The financial dimension to this accountability is particularly stressed: the NGO Bureau, and by extension the Bangladesh public, now has access to information concerning the budgets and accounts of the NGOs.

While relations between government and NGOs have in many ways improved, there is still a tendency for government to emphasise NGO service delivery roles at the expense of their wider potential contribution to the development of civil society.

Meanwhile the rest of civil society is to some extent re-evaluating its relationships with the NGOs, which have become involved in some of the wider social movements currently active. These include the Nirmal Committee (which is demanding justice in relation to the actions of war criminals during the Independ-

ence struggle) and certain left political party causes. Some trade unions have also explored links with NGOs over collective action in issues such as slum demolition. NGO leaders are now participating more actively and openly in discussions on policy dialogue.

Bangladesh's NGOs are beginning to be seen and to see themselves more widely as a resource to be accessed in a range of social and political contexts and have shown themselves more than ever before to be firmly rooted, in all their diversity, in Bangladeshi society.

These new concerns and changes in perceptions can be seen to be reflected in the SIDA DCO's range of contacts and linkages. Indeed, the DCO appears to be more in step with these wider developments than many of the Swedish NGOs working in Bangladesh. Swedish NGOs have rarely tried to participate in this wider frame, except Rädde Barnen, whose involvement in child rights work is part of a general move away from more traditional implementation towards advocacy and lobbying work. However, this new role has raised additional questions about the relationship between an international NGO and national NGOs in the course of this type of activity. These will be discussed later in the report.



Rural women learning to read. SIDA funds NGOs developing specialised educational expertise such as GSS, whose educational approaches and materials are finding favour with other organisations involved in education.

SIDA POLICY AND NGOS IN BANGLADESH

Why has SIDA chosen to fund NGOs in Bangladesh?

In addition to the traditional support to Swedish NGOs working in Bangladesh, SIDA has gradually moved towards large-scale support to Bangladeshi NGOs. The reasons for this, which were touched upon earlier, are broadly as follows. SIDA support to the Bangladesh government was found by the early 1980s not to be reaching the poorer sections of the population.⁶ With over half of Bangladesh's people effectively landless in a predominantly rural society, the conventional channels of support to the rural poor via assistance to farmers (through formal public sector agricultural extension work or farmers' formal co-operatives) had generated poorly-targeted interventions. These lacked the poverty and gender focus which was increasingly being demanded by SIDA's constituencies in Sweden. The inefficiency of directing the bulk of SIDA's development assistance through bureaucratic and unwieldy government-run projects also gradually became apparent.

The fact that these national NGOs overwhelmingly adopted a target group approach based on working expressly with the landless, and that many made a point of trying to reach landless women with credit and non-land based income generation activities, offered SIDA a way out of this impasse in Bangladesh.

NGOs in Bangladesh now receive a higher proportion of total Swedish funds than in any other country. According to Valdelin and Akhter's report, NGOs in 1992-93 received the equivalent of over 54% of the planned 1993-94 SIDA country frame (in actual fact it turned out to be less [46%] in terms of money actually disbursed) (See Table 1)). Over the past five years NGOs have received on average close to 20% of the total disbursements from SIDA through the DCO to Bangladesh.

SIDA's direct support to NGOs has not been at the expense of its partnerships with government. SIDA is aware of the dangers of a "by-pass" model of NGO

⁶ See "In support of Asian development", *ibid.*

Table 1: SIDA funds to NGOs in Bangladesh (MSEK)

	1992-93
Direct support to Bangladesh NGOs	28.80
Women in development	3.02
Democracy and human rights	0
Relief and rehabilitation	1.50
NGOs within the country frame	0
Swedish NGOs	21.40
Total	54.72

Source: DCO Dhaka

Table 2: NGO support as a percentage of total SIDA disbursements to Bangladesh through DCO

1988-89	1989-90	1990-91	1991-92	1992-93	Average
12%	21.3%	26.5%	16.2%	21.4%	19.4%

Source: BSD, 1992-93

support which perpetuates the shortcomings of government and creates parallel structures. SIDA has been careful not to abandon its support to government, but has tried to develop relationships with NGOs which ultimately bring NGOs and government closer together in mutually supportive partnership, regarding the NGOs and the government agencies as complementary to each other.

In addition to providing support to government in service delivery roles, NGO support is also intended to stimulate replicable innovation and wider participatory change. These aims were recently outlined in a SIDA NGO Division⁷ Stockholm document which states that support to NGOs should be a complement to other types of development co-operation, and can perform an important function by being directed towards:⁸

- (i) activities of an experimental or pilot character, subsequently using the experiences within the public sector;
- (ii) activities geared towards social mobilisation and information on citizen's rights as a part of strengthening the democratic process in Bangladesh.

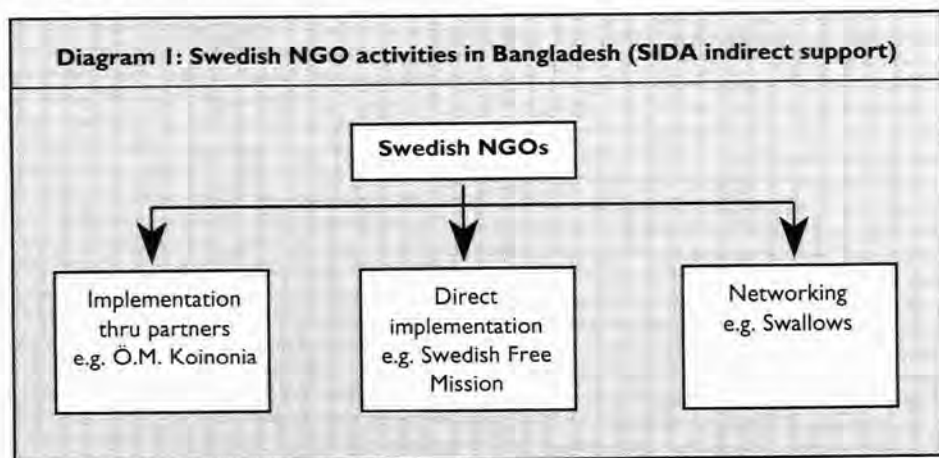
⁷ The SIDA NGO Division is known as SEO-Byrån in Stockholm.

⁸ "SIDA Country Review on Bangladesh 1993/94 to 1995/96", Memo dated 18/12/92.

Modes of NGO support

NGOs have been supported by SIDA in Bangladesh through a number of routes. The most important of these are funding through Swedish NGOs, co-ordinated from Stockholm and direct funding to Bangladeshi NGOs, which is co-ordinated from the Dhaka DCO. There are other modes of funding as well, such as the funds which go to NGOs through projects such as the General Education Project (GEP) to which SIDA contributes and which has considerable NGO involvement.

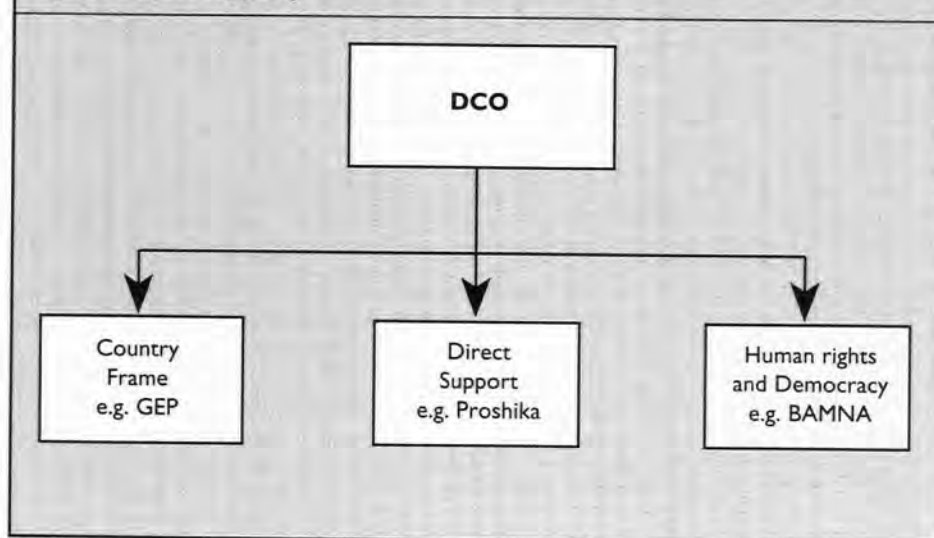
Swedish support to NGOs takes a number of forms: through the general country frame, direct support and assistance through special women in development (WID) resources and funds earmarked for democracy and human rights. Although there are many forms of support, this report is concerned primarily with a discussion of the two main funding routes in Bangladesh: the direct support to Bangladeshi NGOs and the indirect support through Swedish NGOs.



Support to Swedish NGOs is significantly motivated by the role played by these organisations in mobilising the Swedish popular movements in the budget vote in support of overall Swedish development aid. The support to Swedish NGOs is potentially valuable for the NGO Division because it leads to the transfer of knowledge about these organisations, and their local NGO partners, back to Sweden. This is intended to contribute to a wider understanding of the roles of Swedish NGOs in development assistance. However, this report found that in the case of Bangladesh at least, there was less activity of this kind than expected.

Direct support to Bangladeshi NGOs is an innovative form of assistance to NGOs for SIDA, and has been adopted as a form of support only in three countries in South Asia: Bangladesh (which uses the majority of the funds), Sri Lanka and India.

Diagram 2: Types of NGO assistance given by SIDA through the DCO (SIDA direct support)



Whereas SIDA has always worked with NGOs in the context of human rights, most of its mainstream development work has taken place through bilateral work with governments. It is possible therefore that SIDA's programme of direct support in Bangladesh has not always been clearly understood by some staff at SIDA Stockholm. There are a number of possible reasons for this. Many SIDA staff now working in Stockholm have field experience from Africa, where local NGOs remain comparatively weak. The strong position of Swedish NGOs in Swedish society means that they can lobby more effectively for their interests with SIDA Stockholm than can their Southern counterparts. It is also the case that Bangladesh remains atypical among Southern countries with its highly developed NGO sector. Nevertheless, it is worth remembering that the case of Bangladesh may point the way to the future in this respect, as other countries develop similarly dynamic local NGO capacities. This may be particularly true in countries in which considerable relief and reconstruction work has generated NGO activity which will gradually shift towards development, such as Vietnam, Cambodia, Afghanistan and Sri Lanka. There may be important wider lessons for SIDA to learn from its direct support in Bangladesh.

Many directly-supported Bangladeshi NGOs were once supported by Swedish NGOs in earlier phases of their development and SIDA took over funding as their needs increased. There is not therefore necessarily a conflict between these two modes of support, which may be complementary to each other at different times.

SIDA's "basic programme" and the NGOs

The most important sector within SIDA's country frame (now known as the "basic programme") is rural development, which accounts for more than half of the payments during the past five years. Projects financed under this sector include activities which are similar in character to the community development approaches of the NGOs, such as Grameen Bank (the largest recipient of all under SIDA's 1992-93 country frame); social mobilisation, training and credits under PEP-BRDB and labour contracting societies under IDP-LGED. Flood control has been another component in the past.

The second most important sector is health, which has accounted for 14.32% of payments during the past five years. The health sector has focused on immunisation and essential drugs. As related to the health sector, population issues have last year re-entered the country frame on a larger scale by SIDA's co-funding of the World Bank's Fourth Population and Health Project (known as Pop-4).

Third comes education with slightly less than 10% of country frame payments. After discontinuation of a long vocational training programme, the focus is now entirely on primary education through co-funding of the World Bank's General Education Programme, which includes the active participation of thirteen NGOs.

Import support has ceased to be part of the country frame from 1991-92, which implies a significant difference from the situation in the early 1980s, when import support accounted for around two-thirds of the country frame payments.

Table 3: SIDA indicative planning frame for 1994-95 (MSEK)

Basic programme	130
Democracy and human rights	5
Environment	3
Special programmes ⁹	3
Direct support to Bangladeshi NGOs with relevance to the "basic programme"	29
Total	170

Source: SIDA budget proposal to Government of Sweden

SIDA sees the relationship between the work done by NGOs and its general strategies as related to sectors rather than projects.¹⁰ For example, direct support to the local NGO BURO Tangail is not based on a priority on that area of country, but to the development of credit support. NGO support by SIDA through larger

9) For example, methodology development.

10) Even sectoral distinctions become blurred in direct NGO funding. GSS funding arose initially through SIDA's education sector involvements, but later changed in emphasis towards rural development. In general, NGOs increasingly tend towards a multisectoral emphasis.

sectoral projects such as GEP and Pop-4 are the two exceptions to this, and while brief references are made to these in the course of this report, a detailed analysis of this form of support lies outside the scope of this study.

Possibilities can be generated for cooperation between NGOs and SIDA's broader sectoral support. Such cooperation may be encouraged by the DCO, but there are no formal mechanisms with which to bring it about. NGOs such as BRAC, Proshika or Saptagram are not explicitly expected to link up with SIDA's RESP project, for example. Saptagram has tried to gain access to LCS contracts within RESP but with mixed results. It has proved difficult to resolve management issues relating to the involvement of NGOs in RESP, and the potential of NGO involvement therefore remains to be fulfilled. For example, Saptagram's graduated groups in the RESP project area are now seeking alternative sources of credit. Training and educational material links with NGOs within RESP have been developed quite successfully (e.g. with BRAC, Proshika and GSS). The inclusion of a new component within RESP, the RPP Task Force, opens up prospects for links between NGOs and the Rural Poor Programme of the BRDB.

Cooperation between NGOs assisted by SIDA and wider SIDA project activities does take place from time to time, but with mixed results. Indeed, there is no particular local reason why different SIDA-funded NGOs should explore commonalities themselves. From SIDA's point of view, however, links can improve the cost-effectiveness of its support, while close relationships with a key number of NGOs can provide useful channels of communication and easy access.

Part II:
Analysis of Modes of NGO Support
and Implications for SIDA

RELEVANCE AND EFFICIENCY — MODES OF FUNDING AND THE GENERAL IMPACT OF NGOs

What is relevant?

This chapter examines some of the general issues of the relevance of SIDA support to NGOs in Bangladesh through the two main modes of support. We can begin with the term 'relevance' in the sense outlined in Lewin (1994) of whether the proposed inputs are the correct ones to solve the identified problems, and whether or not a project has contributed to the solution of a particular problem or set of problems. Some NGOs have found that recent donor requirements for them to become more relevant has sometimes led to conflicting sets of pressures and expectations (Box 3). As in the case of sustainability, which is discussed in the next chapter, many of these issues have only recently become part of the donor agenda and may not have been part of earlier agreements with the NGOs.

Another important difficulty in the context of the "relevance debate" arises when a project is considered relevant in a fairly narrow sense (such as in terms of the perspective of a foreign or local NGO's agenda and perceptions) but the identified problem is itself less relevant in the wider context of Bangladesh. This may be a more acute problem in the context of indirect than direct support. While a problem may have relevance in the Swedish context, or from the perspective of a small outsider organisation, it may not be so relevant in the Bangladeshi setting. In keeping with the principles of independence which govern SIDA's relations with the Swedish NGO sector, Swedish NGOs receive no overall co-ordination from SIDA as regards their relevance, but are left to locate themselves within a country context in Bangladesh.

The traditional autonomy of the Swedish NGOs means that SIDA has far less control over their activities in Bangladesh (and this state of affairs is regarded as desirable by both parties) than it does over directly-funded Bangladeshi NGOs. Indeed, many of the Swedish NGOs in Bangladesh remain engaged in traditional,

top-down, operational type activities in contrast to SIDA's rather more innovative general policy. This means that many Swedish NGO activities do not fit well with SIDA's overall priorities in Bangladesh. SIDA's direct support to NGOs is therefore by definition likely to be more relevant than most of its indirect support, because it can be coordinated with the overall country frame.

Box 3 - WIF: An NGO tries to deal with different donor expectations

The Comprehensive Nutrition and Blindness Prevention Programme (CNBPP) of the Worldview International Foundation (WIF) was conceived as a mass campaign with a specific health focus. While SIDA still holds this view, other donors may have different expectations. This has serious implications for relevance and efficiency for CNBPP. WIF at times receives different, even conflicting, advice from its various development partners. SIDA's funding of CNBPP has contributed to the mass campaign becoming more comprehensive, still focusing on Vitamin A deficiency, while incorporating other nutritional aspects. This is largely the result of technical assistance from Sweden. However, WIF sometimes finds it hard to distinguish the advice of temporary expatriate consultants (hired by donors) with the policy of SIDA itself, so that consultant advice - such as a suggestion to include de-worming in the campaign - is taken by the NGO to be SIDA policy. At the same time, a Norwegian NGO co-funded by NORAD insisted that a poverty focus would be more efficient than a mass campaign, which pulled WIF into new directions in some areas. Dutch NOVIB, on the other hand, is keen to add components such group formation and income generation activities, addressing the sustainability issue by institution-building. It may be tempting for WIF to try to please all the donors instead of looking from its own perspective at relevance and efficiency issues. SIDA has tried to support WIF in its efforts to deal with these contradictions.

This is particularly evident from the activities and experiences of SIDA-supported health NGOs. Support to organisations engaged in menstrual regulation (MR) is a result of SIDA's previous involvement in the earlier multi-donor Second Population and Health Project (Pop-2). SIDA then withdrew from the subsequent Pop-3 during the 1980s over the issue of sterilisation quota incentives being given to doctors. Since SIDA takes part in the new Pop-4 programme, its MR direct NGO support has now become a complementary involvement to Pop-4, because MR remains too sensitive an issue for wider inclusion in the mainstream Pop-4 project. Pop-4 also includes project implementation through NGOs for certain components under its general budget, the same way that GEP does.

A holistic model of NGO relevance

A good example of how relevance issues are being addressed in a holistic way through direct support in Bangladesh is in the education sector. SIDA has been involved in four concurrent modes of support which complement each other:

- (i) Support to NGOs in the General Education Programme (GEP) through SIDA country frame support, which generates a broad impact within the education sector as a whole.
- (ii) Direct funding of NGOs developing specialised educational expertise such as GSS, whose educational approaches and materials are finding favour with other organisations involved in education.
- (iii) Support to the CAMPE network which is providing an effective framework for NGO co-ordination in educational work, at both the micro and the macro levels. Having moved away from support to government agencies in previous years, this support by SIDA now promotes the development of an indigenous network working towards bringing the NGO and government sectors closer together.
- (iv) BRAC's education programme provides its own schools and teachers which it is hoped will ultimately strengthen the government system through training and by example.

The DCO has developed a support strategy which uses the flexibility and access advantages of the system of direct NGO support, allowing several complementary levels of co-operation and interaction. This approach also provides a greater chance of sustainability, since CAMPE is seeking to facilitate dialogue between government and NGOs in the education sector. There is more chance of this dialogue being realised between the government and a group of organised NGO interests than singly with different organisations and added weight is brought by CAMPE for creating wider policy influence. In this way, SIDA's strategy here has engaged with specific structural needs in Bangladesh.

In the context of indirect support through Swedish NGOs, there is a tendency for NGOs to address problems *only in terms of immediate needs*, rather than their root causes. One reason for this trend is perhaps the prevailing image of Bangladesh in Sweden. In common with many European countries, popular ideas about Bangladesh revolve around disasters, shortages of resources and over-population rather than on positive images of local initiatives for problem-solving.

Some Swedish NGOs are actively working to challenge these prevailing perceptions (Box 4). But many others continue to justify their operational activities on the basis of a claimed ability to be able to provide services which are unavailable elsewhere. This view neglects important questions of longer-term sustainability and the need to strengthen existing service provision.

Box 4 – DIAKONIA: the relevance of the problem

Relevance is quite easily defined as inputs and projects having bearing on the solution of identified problems. But the question also arises as to whether the problems identified are relevant. DIAKONIA provides an example of an organisation re-orientating itself to address new problem areas, which were considered to be more relevant for at least the organisation, maybe also for the country. DIAKONIA started off in Bangladesh constructing primary schools, which were subsequently handed over to the government. The problem was identified as a lack of proper school building facilities. It was soon realised that inadequacies in the primary school curriculum and the quality of teaching represented a more relevant problem. A teacher training project, introducing an innovative but equivalent curriculum (open air education), was added to the school building project. However, as more experience was gained, it became apparent for DIAKONIA that an even more relevant problem was the increasing poverty. Children from poor families almost never had access to the government schools and DIAKONIA's previous involvement in the formal education sector had reached an impasse. Poor parents did not send their children to school because they were poor, and these underlying needs had to be met. DIAKONIA discontinued its involvements with primary education and embarked upon a community development programme, encompassing the comprehensive improvement of the social and economic conditions of the rural poor. However, in the pursuit of this new strategy, DIAKONIA has, as we shall see, developed asymmetrical relationships with its local partners and become somewhat isolated from the DCO and other Swedish NGOs.

Targeting relevance

The issue of targeting relevance arises in the context of SIDA's support to women in development activities. It is understood that WID support evolved originally in part through the efforts of women's organisations in Sweden to earmark SIDA funds specifically for work with women in Bangladesh. This funding channel led to SIDA support to a number of important women's NGOs in Bangladesh during the 1980s.¹¹

Nevertheless, there may be some mismatch between perceptions in Sweden and those in Bangladesh. If the main objective is to fund women's organisations *per se*, is it still possible to utilise useful criteria for relevance in relation to the Bangladesh situation? Or does this lead to funding of women's organisations with women as the key funding criteria?

The situation has become more complicated now that SIDA has decided to

11) See 'In Support of Asian Development', *ibid.*

include WID funds within the wider category of Human Rights and Democracy funds, in order to avoid a tendency for WID funding to contribute to the very marginalisation of gender issues which it seeks to combat. Some women's organisation in Sweden, who see the change as undoing what has been achieved for securing women's funding in the past, have opposed the changes. There has been little communication between Bangladeshi and Swedish organisations on this issue, a point which is considered further in the chapter on feedback below.

Targeting relevance also has a geographical dimension. Some NGOs have developed a long-term coverage of and knowledge of a particular area of the country, such as SFM on Bhola island, while RDRS has restricted its work to the NW area of Greater Rangpur.

Many NGOs concentrate their activities in particular areas of the country. This perhaps represents a potential advantage for the Swedish NGOs, which may be in freer position to make objective decisions regarding their point of entry than their local counterparts, whose activities have developed historically and locally within Bangladesh. However, this potential advantage remains largely unexplored.

Perceptions of relevance

Building the relevance of their projects has been and will continue to be an evolutionary process for Swedish NGOs. As we have seen, the LO/TCO seeks to improve worker's rights and is therefore developing, with mixed results, a relationship with the Bangladesh trade union movement. For example, one of the unions we interviewed in this connection was clearly a front for the ruling government political party. While work with local trade unions may have produced an improvement in workers' rights in Bangladesh, there may be other organisations with as much relevance for this objective (Box 5).

Box 5 – BDRCS: The relevance of an organisation

The relevance, as well as the efficiency, of the organisation is of course of great significance. The Bangladesh Red Crescent Society (BDRCS) is struggling to improve its management capacity, as well as its accountability and transparency, and is being assisted by the International Federation of the Red Cross and Red Crescent Societies (IFDRC). Meanwhile donors tend to drop out, and the Swedish Red Cross has been advised by the IFDRC to withhold its pipeline funds, which include SIDA co-funding, until BDRCS is ready and able to spend the money. Some of the Swedish funding is earmarked for a community development programme of the sort which is very common among the NGOs. However relevant that concept may be, not the least in relation to the integration of cyclone shelters into the local community, it may be questioned whether it is the right programme for BDRCS, given its general orientation as a relief agency.

Whose efficiency?

There are a number of ways in which SIDA and the DCO is promoting administrative efficiency in their dealings with NGOs. The DCO has opted to support a relatively small number of NGOs aiming at high quality relationships, based on a 'hands-off' approach, but with periodic detailed evaluations. Cooperation between similarly-motivated donors improves efficiency and this takes place among the Nordic and other donors through the Like-Minded Group.¹² The system of consortium funding for NGOs such as BRAC has also improved efficiency because donors can act together and maximise economies of scale, while for the NGO, its management can deal with one point of donor contact instead of several, minimising disruption through constant evaluations. The DCO has preferred to support core instead of project funding, as a more efficient means for capacity-building (Box 9 on opposite page).

There are important questions about the relative efficiency of direct versus indirect funding, although it was not possible for the team to provide any firm answers. There may be added costs of delivering funds through Swedish NGOs which would be provided directly to Bangladeshi NGOs (Box 6). It has been reported that in some countries, donors have received complaints from local NGOs which resented having to receive funds via Swedish NGOs. Such NGOs see the foreign NGOs as unnecessary intermediaries, and preferred to receive the funds directly. We did not find similar complaints in Bangladesh, presumably because the two modes of assistance are complementing each other.

There are some national NGOs which prefer to deal with international NGOs as opposed to government donors (either as a matter of policy or in terms of ease of access), but these were not considered major issues by the NGOs with whom we spoke.

But what is efficient for Swedish NGOs may not be priorities for or may not be appropriate to local partners. In the case of Radda Barnen, there have been problems which stem from some local NGO partners feeling that the Swedish NGO has taken too heavy-handed a role in guiding local NGO partners. In the case of DIAKONIA, there is evidence that a straightforward conditionality has been set down for its 10 partners, who now have to conform to a single strategy and approach. It was not possible to assess how far these NGOs participated in the formulation of this strategy, with many of the signs suggesting that considerable tensions had developed. Both these cases contradict the new guidelines summarised in Chapter One.

The issue of cost efficiency is one which is often raised, and is a legitimate concern. Are NGOs the most cost-effective means of achieving objectives, and how do they compare with each other? Unfortunately the evidence on this question is

12) See "A Fresh Look at Bangladesh" by Holmberg *et al.*, 1993 for a discussion of the Like-Minded Group.

Box 6 - Prodiapon: Different strokes for different folks?

One of the main aims of SIDA's block grants to Swedish NGOs policy is to promote a diverse set of partnerships for broader understanding of development options in Bangladesh. While this is a laudable policy, the example of the NGO Prodiapon illustrates a potential shortcoming of the 'hands-off' policy of both SIDA Stockholm and the DCO. Prodiapon has in fact been able to access SIDA funds via three separate channels: as one of the ten local partners of DIAKONIA; through Swallows originally in the area of legal aid, in a more partnership-based relationship; and finally from Rädde Barnen for work in the slums. Without wishing to judge Prodiapon's competence to work in these areas, this multiple access anomaly does raise some interesting points for consideration in terms of SIDA policy. The lack of coordination between Swedish NGOs in general, and in the case of Prodiapon in particular, raises serious questions about efficiency and feedback when working through Swedish NGOs. There is a certain incongruity in the DCO trying to promote the consortium model of funding and moving away from project to core funding, yet at the same time, having Swedish NGOs funding entirely separate projects run by the same organisation. The lack of coordination in this area would suggest that significant external economies have been missed. An obvious area to examine would be to support Prodiapon as a whole rather than picking and choosing certain programme elements. Indeed, this could be seen as an example of donor-led NGO agenda formation. On the other hand, if Prodiapon has been 'identified' as an innovator and market leader by three separate Swedish NGOs, the DCO should be more involved and should consider extending direct support through core funding.

sparse and that which does exist can all too easily lend itself to simplistic generalisation. Part of the problem is that like is very rarely compared with like, and comparisons (other than those for simple service delivery) have to take into account the often long-term impact of an NGO's wider programmes, which are often administered through a simultaneous package of activities.

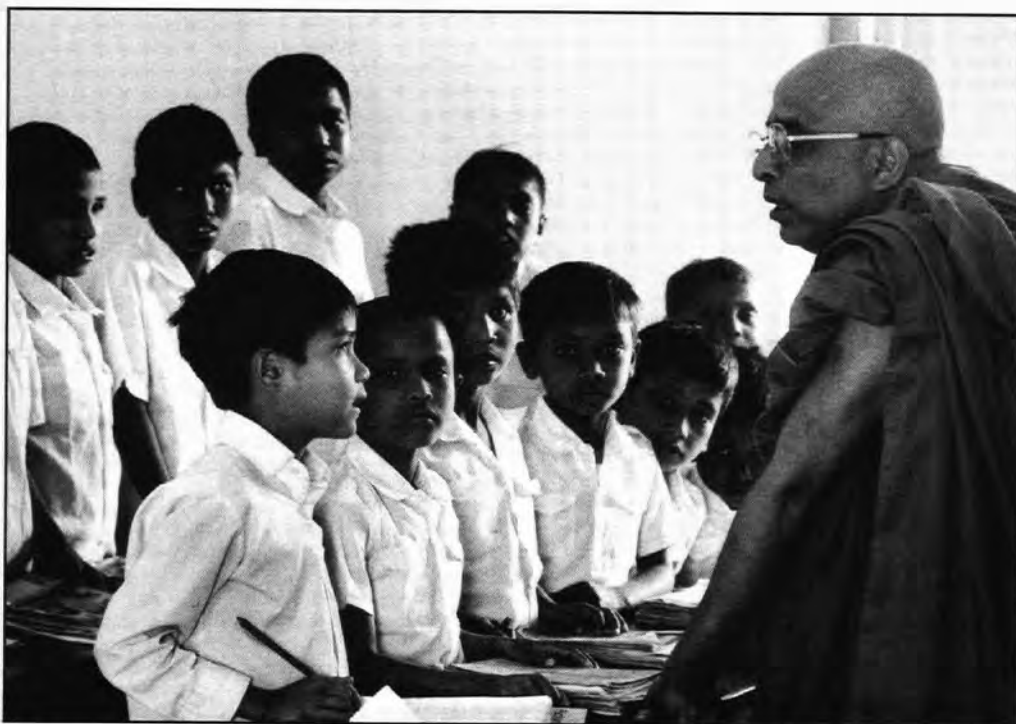
There are also efficiency questions regarding whether large or small NGOs are supported. SIDA has shown that support to large NGOs provides possibilities for change on a relatively wide scale, but that small NGOs also have roles to play. Some of the small NGOs with whom we talked argued that from an efficiency perspective, the advantages of support to small NGOs can include: (i) lower administrative costs with a small office, few staff or overheads, creating greater cost efficiency and perhaps better local public accountability; (ii) access to local knowledge and information; and (iii) high motivation levels, strong sense of involvement and commitment. However, these claims were difficult to substantiate, and the logic of economies of scale would tend to suggest that the opposite could quite easily be true.

Indeed, the quantitative efficiency criteria sometimes applied to NGOs are fraught with difficulties. Notions of cost effectiveness are difficult to compare when different NGOs have multi-faceted programmes, and numbers of beneficiaries are of limited value unless a clear picture is formed of exactly what people have received, and how successfully they have utilised such resources.

One of the advantages in terms of efficiency of the Swedish NGOs is their easy access to international contacts and networking opportunities. This avenue of complementarity is perhaps not being sufficiently explored in Bangladesh.

There are certain costs attached also to delivery of NGO funds through the DCO. Considering the cost efficiency of the DCO in providing NGO funds, the following questions are important. What is the opportunity cost for the DCO, that is, how much of the DCO's scarce staff resources should be allowed to be drained away from the main business of bilateral support? Related to this, what is the benefit in terms of knowledge acquired by the DCO through dealing with NGOs? Our opinion is that NGOs can deepen the DCO's understanding of Bangladesh, and that such increased knowledge will contribute to the general efficiency of the DCO and SIDA.

Are there ways in which direct support of Bangladeshi NGOs can be further streamlined by the bilateral donors? Core funding through consortia, enabling a standardisation of reporting formats for example, represents an efficiency improvement as compared with project funding. Much progress has already been made by donors with this rationalisation. It may be possible to make further efficiency gains between like-minded donors through joint screening of requests and other coordination measures. From a narrower efficiency perspective, it may be more economical for the DCO to support only a few large NGOs. Many smaller local NGOs, especially those with limited experience of reporting and accounting, may require substantial assistance from the DCO.



The headmaster examines a class at Dhammarajika, an orphanage for boys in Dhaka. The orphanage is run by buddhist monks and takes care of orphan boys belonging to the buddhist minority in south and southeastern Bangladesh. At most 600 boys live here and are offered schooling and vocational education. One of the international NGOs supporting the orphanage is Rädä Barnen from Sweden.

SUSTAINABILITY AND OWNERSHIP

Unpacking sustainability

Sustainability is very difficult to define, especially when Bangladesh as a whole remains heavily dependent upon foreign assistance. It is also a diverse concept, with financial, institutional and environmental aspects.

It would be accurate to say that for many of the NGOs in Bangladesh - and for the donors as well - sustainability has only recently become an issue. This new agenda has been driven mainly by the donors motivated by their shrinking budgets. SIDA in a recent evaluation manual defines sustainability in the following terms:

... a development programme is sustainable when it is able to deliver an appropriate number of benefits for an extended period of time after major financial, managerial and technical assistance from an external donor is terminated.¹³

This has tended to produce a situation in which sustainability is seen mainly in financial terms rather than in the other important senses of the concept: its institutional and environmental aspects (Box 7, next page). The former is particularly important in the context of NGO support. There are few opportunities to explore the issue of whether or not activities continue after the withdrawal of assistance in Bangladesh. Where possible, examples are discussed below.

Sustainability poses problems for all the NGOs. Some of the large Bangladeshi NGOs are now generating funds from separate business enterprises (BRAC has garment factories, handicraft stores and a printing press which generate roughly one third of its budget) or from the competitive sale of specialised services (training, consultancy and materials) in the wider market place.

We would argue that in Bangladesh the central aspect of sustainability, as well as the mobilisation of local resources, is the generation of momentum towards locally-produced ideas and initiatives for long-term development (Box 8). Local capacity-building is a key element of this. Genuine sustainability is unlikely to be possible unless an engagement takes place between an agency such as an NGO and the wider policy environment in which it operates. Even the larger NGOs in Bangladesh have only a relatively small direct impact in terms of their coverage,

¹³ "Evaluation Manual for SIDA" by Elisabeth Lewin, Stockholm, 1994.

Box 7 - Swedish Free Mission: Financial sustainability

There have been several approaches to this problem. The Swedish Free Mission passes its projects over to the government at the end of the project cycle, often successfully. Rådha Barnen would like to make its Mirpur clinic sustainable by handing it over to independent management, but is finding it difficult to do so. ADRA has taken a different view and stresses the micro-level financial sustainability of its projects by attempting to ensure that their group savings and credit activities break even. The YMCA have opted to generate their own funds by building a large rentable office complex to cover their own costs of operation, but the relation of their future activities to the overall picture of development needs has been a lesser priority. The key point here is that *unless the impact of the work of these NGOs is sustainable, then the fact that the books may balance, while desirable, may be of limited relevance in development terms.*

Box 8 - BURO-Tangail: Sustainable accounts or sustainable ideas/structures?

BURO-Tangail has begun to address what might be described as a two-tier sustainability problem. At the micro-level, the NGO is attempting to cover its costs through charging 30% interest rates, reflecting the high costs (though important impact) of delivering small-scale loans effectively. But the concept of loan-giving to low income people also needs to be sustainable – it depends on money, but work on local capacity-building is emphasised in order to replicate the concept. This effort may or may not ultimately be commercially viable, but the NGO has at least moved in its thinking beyond the concept of only financial sustainability.

and government is still left with the primary responsibility for key activities in health, education and agriculture. This is likely to remain so for the foreseeable future. NGOs can therefore 'plug gaps' in the short-term, but wider policy changes are required in the long-term.

The challenge of addressing policy issues is also being taken up by BRAC, Proshika and GSS with some success. In the case of directly-supported NGOs, there is an increasing ability for the NGOs to engage with and occasionally influence government on policy matters and to work more widely within civil society.

Most of the Swedish NGOs are also addressing the sustainability issue, but (with a few exceptions) in rather more limited ways. Indirect support can encourage a tendency for sustainability to be addressed only in financial terms, without relating the concept to wider processes. The relatively easy access to SIDA funding by Swedish NGOs through the block grant system can sometimes delay the need to consider even financial sustainability issues. This may deter the NGO from seeking

a deeper understanding of its role in wider development processes. In general core funding is likely to encourage more reflection on sustainability issues than project funding (Box 9).

Within the pattern of indirect support there tends to be more project-based assistance, which brings with it a focus on project-centred financial sustainability at the expense of wider issues. For example, a project such as a clinic may be self-sustaining but a more ideal measure of sustainability will be one which considers how well it fits within wider government health provisions and services.

The sustainability of impact

The issue of 'the sustainability of impact' may ultimately be more important than the mode of support (Box 10, next page). It is possible that small NGOs and their vision may not be as influential as that of the large NGOs in influencing policy, although collective NGO engagement on policy matters is the ideal. ADAB and certain of the NGO networks are beginning to prove effective in this regard. The DCO may also be in a good position to help with information and ideas for NGOs in search a view of 'the bigger picture'.

Box 9 – RDRS: Sustainability and core funding

Core funding is more likely to promote sustainability than project funding. The indirect core funding of RDRS (through the Lutheran World Federation) illustrates this point. RDRS has focused on the task of capacity-building through establishing federations of its graduated groups of landless and marginal farmers. RDRS believes that the time for directly implementing projects in Bangladesh is gone. The RDRS target group is mobilised into primary societies, which will federate at different levels. The primary groups will receive direct RDRS support during the first three years. During this time their own competence will be developed, succeeded by another five years of indirect support, mainly in the form of training and credits, through the federations. RDRS has recently phased out direct assistance to 5,000 graduated primary groups, with the federations gradually taking over implementation.

Box 10 - MRTSP: Sustainable accounts or sustainable impact?

The case of MRTSP illustrates some of the contradictions implicit within the sustainability concept. SIDA started funding MRTSP as a private NGO when it became impossible for the Ministry of Health to carry on running the project during the mid-1980s for external reasons. Since that time, MRTSP has developed a highly professional level of expertise in the area of MR, an expertise which cannot be 'sold' in a commercially viable sense. While the provision of training is unlikely to be sustainable, the impact of the training will perhaps be sustainable. This is probably the more important issue for Bangladesh.

Box 11 - Changing ownership: RDRS and nationalisation

For RDRS there is a transition with two different dimensions in progress: one being the transformation from an international body to a national NGO, the other one ultimately becoming a sponsoring and not an implementing agent. The present advisory board consisting of appointed Bangladeshis with broad representation from civil society will be converted to an executive board, adding representation from the staff and the target group. Ownership will be spread as much as possible in order to balance the constituency. Since RDRS does not have any natural national counterpart with whom to relate, this is seen as the second-best option. The transformation is prompted by a certain tiredness within the Lutheran Church network to continue funding a permanent development-oriented operations. Emergency relief and rehabilitation in other parts of the world is given more attention and RDRS is unable to attract the necessary expansion of funding. A national trust will allow RDRS to partly detach itself from the LWF and enter bilateral partnerships with other donors as well, at the same time as it is expected that the major present donors, foremost among them the Swedish section of the LWF, will attempt to locate alternative sources of funding for RDRS.

Ownership issues

It is also necessary to comment on the issue of ownership of projects (Box 11). This is a difficult concept: ownership by whom - the organisation or the target group? One reflection of a greater ownership by the target group is the decision taken by an NGO such as Radda Barnen to move out of its traditional implementing role, with a high-profile presence owning and operating a clinic, towards supporting partners and engaging in advocacy in the area of child rights (Box 12).

Box 12 - Radda Barnen: changing roles in a changing world.

The ratification of the Convention on the Rights of the Child (CRC) by the Government of Bangladesh is radicalising Radda Barnen in terms of prompting a move towards advocacy away from the traditional activities of building and running clinics. As with many international NGOs, there was a need to be somewhat possessive about projects. The Mirpur clinic reflects this learning process as Radda Barnen attempts to hand it over to another agency, but there is no readily satisfactory solution at hand. It is admitted that the imminent plans for setting up a national trust with broad representation from civil society will mainly relieve Radda Barnen, and not the Mirpur clinics, of a problem. The clinics do not present a replicable option for the government, which was the most important reason for setting them up in the first place. As is the case with most health-care activities financial sustainability is a very remote prospect. At the moment only 10% of the costs are met locally, with Radda Barnen providing the rest of the funding. It is hoped that the Radda Barnen funding share can be reduced to a level of around 20% after a few years, but only through the trust attracting other external funds - which is the main rationale for creating the trust. Ownership relates to the people of the country they are working with, breaking away from established practices established more widely.

Sometimes, a sense of ownership is reflected in NGOs confidently asserting their own agendas against donors or funding NGOs with whom they have a partnership. Indeed, this type of assertion is often a sign that a simple funding relationship is moving towards one of a more equitable partnership.

Conclusion

This chapter has outlined some of the complexities of the issues of sustainability and ownership and provided short case studies of the various attempts of different NGOs to deal with this difficult issue in the context of Bangladesh. We have tried to place less emphasis on financial accounting and book balancing as an index of sustainability (though this is of course an important component) and instead focused upon organisational capacity-building and engagement with wider policy issues as two further key criteria.

In terms of institutional sustainability, one question which may arise in the future is the DCO's capacity to carry over its learning in the direct assistance strategy (located within a small number of key, experienced DCO staff) as individuals working in the office change over time. Care will be needed to make sure that good communications and the successful 'hands off' approach can continue regardless of personalities.



Beekeeping is one of Proshikas many income generating activities for landless poor people, especially women.

FEEDBACK AND UTILISATION OF EXPERIENCES: NGOs, SIDA AND THE PUBLIC

This chapter explores the learning processes arising out of SIDA's support to NGOs through the two modes of assistance. One of the potential advantages of indirect support is the opportunity which is provided for information flows to and development education in Sweden, relating both to general development issues and to the popular image of Bangladesh in particular. In general, the team found that these potentialities remain under-explored.

This discussion has two main themes. Firstly, what has been achieved by the support to Swedish NGOs in terms of raising public awareness in Sweden about development issues in general and Bangladesh in particular, and has improved awareness informed levels of accountability between SIDA's development assistance and people in Sweden? Secondly, what has SIDA learnt from its experience of NGO support and how has it used this knowledge? Only very general answers as possible to these questions.

SIDA's knowledge: biased towards Bangladeshi NGOs?

Within the spirit of Swedish aid, the Swedish NGOs are free to play autonomous roles and need have no formal relationship with the DCO. Nevertheless in the past, the DCO used to call Swedish NGOs with offices in Dhaka for annual meetings. While these meetings only covered NGOs with an office and ex-patriate staff, and took place only very occasionally, they did provide an opportunity for briefing on their work and for exchange of experiences with SIDA as well as between the Swedish NGOs.

Such meetings have not been held for the past three years - perhaps reflecting the fact that the DCO is gradually giving more importance to the directly-supported NGOs. In the absence of such initiatives from SIDA, the Swedish NGOs, which have a diverse focus, have not taken any measures to meet among them-

selves. However, it is generally regretted by these NGOs that such meetings no longer take place.

The DCO's present knowledge of the activities of Swedish NGOs in Bangladesh is drawn from the experience of staff members who previously worked for Swedish NGOs in Bangladesh. Compared with the close contacts which exist between the DCO and the directly-supported NGOs, and the constant feedback of information from these NGOs to the DCO, there is no systematic linkage between the DCO and the Swedish NGOs. However, this is largely an outcome of SIDA's strategy of seeking to preserve the independence of the Swedish NGOs.

The streamlining of SIDA support to the Swedish NGOs through block grant allocations has minimised SIDA's requests for information concerning projects financed within these block grants. This has occurred to such an extent that it seems almost impossible for SIDA to make any assessments of the relevance of the projects or to draw experiences from them from information provided. This is the case for applications as well as for reporting.

All project information relating to the block grant allocations is a matter between the NGO Division of SIDA in Stockholm and the headquarters of the Swedish NGOs or the apex boards formed for the purpose of channelling SIDA NGO funds. While the indirectly funded NGOs are required to keep the DCO informed of their activities, not all of them actually do.

By contrast, detailed project applications and reports are received under the direct NGO support arrangements. The DCO is highly involved in processing requests and presenting them to SIDA Stockholm as well as preparing brief progress reports on a half-yearly basis.

Few of the Swedish NGOs have felt the need to make external evaluations of their work in Bangladesh, nor has SIDA requested that such evaluations should take place. Since almost all the Swedish NGOs have been continuously involved in work in Bangladesh for more than twenty years and have received SIDA funding throughout this time, this is somewhat surprising. Swedish NGOs have certainly reviewed the ideological basis and performance of their work, but their findings are only summarily shared with SIDA.

On the other hand, the major Bangladeshi NGOs which receive direct SIDA support are thoroughly scrutinised. The formal or informal funding consortia in which SIDA participates have initiated a number of external evaluations and a considerable amount of knowledge has been brought back to SIDA.

Utilisation of knowledge

The Swedish NGOs through the BIFO umbrella organisation pool information within Sweden for development education and awareness raising purposes (Box 13).

What is the capacity of SIDA to utilise this knowledge? Considerable amounts

Box 13 – BIFO: bridging the knowledge gap?

BIFO is an umbrella organisation of 60 Swedish NGOs originally created for information exchange between NGOs (known as FOI)¹⁴, and which later became a body for screening applications from small NGOs to SIDA. BIFO has now broadened its mandate to focus on spreading information on and knowledge of Swedish NGOs both to the public and to respective organisations. It offers channels for the exchange of experience relating to international issues and assists in the creation of different kinds of networks with the aim of increased cooperation between NGOs. BIFO contributes to the strengthening of public opinion on development issues.

of information finds its way into the DCO files, but the frequent shift of SIDA programme officers tends to weaken its institutional memory. As there is no programme officer in the DCO exclusively responsible for NGO affairs, all staff need to become acquainted with the details of NGO agendas relating to their particular sectoral focus. Although it was at times tempting during the study to recommend appointment of an NGO officer at the DCO, this would probably risk a marginalisation of NGO-related matters within SIDA.

Within SIDA, knowledge tends to be compartmentalised in relation to the different modes of funding. The Stockholm NGO Division deals with funding of Swedish NGOs and most of the direct NGO support. Funding of human rights and democracy issues, as well as more recently WID, is the responsibility of the Regional Secretariat. WID knowledge is brought back to SIDA's Gender Office, while health information goes to the Health Division. It is beyond the scope of this study to look into the efficiency of communications between different divisions and secretariats of SIDA, but it would appear that the system facilitates more specialisation than integration. NGOs have become the speciality of the NGO Division, although it does not include all NGO assistance, at least not in the case of Bangladesh. Institutional learning, in terms of SIDA's competence building through feedback of experiences from its direct NGO support in Bangladesh, appears to be quite high.

The Swedish public

One of the important motivations for SIDA's funding of Swedish organisations is the role they can play in promoting understanding of Swedish development aid and improving its accountability to the Swedish public. Swedish NGOs have over the years built up valuable experience, which can be used for campaigning, development education, advocacy, networking and the promotion of north-south

¹⁴ Frivilligorganisationernas informationscentral.

dialogue. The Swedish organisations consider themselves to be in a better position than SIDA to communicate their experiences back to the civil society owing to their character as popular movements rooted in Swedish society.

Does this transfer of knowledge actually take place? It is difficult for a study such as this one to answer such a wide-ranging question. There have been a number of activities undertaken successfully in the past and some still continue (see Box). However, the indications from discussions with Swedish NGOs and with SIDA are that in practice very little new or challenging information about Bangladesh presently reaches the Swedish public.

All of the Swedish NGOs working in Bangladesh send material about Bangladesh and their work to Sweden, but in general, activities in Bangladesh do not receive a high priority in information flows to Sweden as compared to other countries. This is partly because Bangladesh is not considered newsworthy most of the time, unless there happens to be a disaster, and partly because many organisations have larger operations underway in other parts of the world which take precedence in their publicity.

As for the directly-funded Bangladeshi NGOs, a few have developed links with Sweden through Swedish NGOs, though there is potential to develop far more links of this kind (Box 14). Swallows have made information a major priority for their work in recent years, and campaigned in Bangladesh and Sweden over environmental issues such as the controversial Flood Action Plan project.

There are obviously limitations in what the individual Swedish organisations can be expected to achieve in this respect, due in part to their relatively small size. A small organisation like the Swedish Swallows may find it difficult to communicate its vast experiences from Bangladesh to the Swedish public. The Jönköping-Bangladesh Friendship Association is in a good position to communicate and raise support in Jönköping, but there are few comparable organisations with links in other areas of the country.

Some organisations are also bound by their constituency. This goes for their outreach in Sweden, as well as for their selection of partner organisations in Bangladesh - which gives rise to a corresponding selective bias in what they are able to learn from their involvement in Bangladesh and subsequently communicate to their members. Such a situation may be faced by the Swedish Adventist Church and the Swedish YMCA/YWCA, which are dependent on rather marginalised partners in Bangladesh in their feedback of information to Sweden.

On the other hand, the attempt to break away from limitations of constituency can cause new problems, as the DIAKONIA case shows. DIAKONIA, in its recent, somewhat unsuccessful, efforts to develop a more politically radical approach in its work with partner organisations, appears to have left DIAKONIA Bangladesh isolated from its traditional church-based support in Sweden, its activities in other countries and from SIDA itself. While by no means a precondition for success, the fact that there have been no Swedish staff in Bangladesh for several years seems to

have contributed to this isolation in the DIAKONIA case. Whenever there is a mismatch between the aims and assumptions of the constituency and the actual work carried out, the organisations's ability to communicate experience with its constituency will be undermined.

Most organisations are driven by a need to raise funds. It is sometimes tempting to opt for over-simplified messages for successful fund-raising campaigns, rather than genuine development education which shares complex, difficult and ambiguous realities. This may be the most severe limitation of relying on primarily operational organisations (such as the Swedish NGOs) to diffuse educational messages on development issues. One cannot expect an organisation involved in the development process to remain impartial to its own work, the importance of which will naturally be exaggerated!

Box 14 - Bangladesh and the Swedish public

Constituency study groups have visited Bangladesh in recent years such as DIAKONIA, Rädda Barnen, RDRS, SFM and Red Cross. Swallows/Proshika have hosted groups of teachers, DIAKONIA has been running a Bangladesh exhibition continuously since the early 1980s. Campaign material in the form of articles and booklets is also published and schools are reached by the Swallows and by Jönköping. Swedish people who used to work for Swedish organisations in Bangladesh have been widely, though perhaps not systematically, used as communicators after their return to Sweden. Over the years, many Bangladeshis representing the work in Bangladesh have visited the Swedish organisations and their constituencies. Out of the Swedish NGOs interviewed, only LO/TCO admits to having kept a very low profile on Bangladesh for reasons of mixed experience. Organisations with Swedish staff in Bangladesh, or regular travel between key staff, are in a better position to communicate back to Sweden, and the case of DIAKONIA shows how links can all too easily fade without regular communications. However, despite these efforts over the years, Bangladesh presently remains a low priority for many Swedish NGOs in their communications and networking work. In many ways, this state of affairs reflects wider media preoccupations (such as Africa and the Middle East), but there is considerable scope for continuing to challenge popular preconceptions in Europe of Bangladesh as a disaster-prone hopeless case.

Advocacy work

With exception of the Swallows, who have involved themselves in environmental lobbying, and Rädda Barnen as regards child rights issues, the other Swedish NGOs do not see themselves taking advocacy role either in relation to Sweden or Bangladesh. The same is true for networking and entertaining north-south

dialogue. A form of south-south dialogue is promoted by DIAKONIA and the Swallows through exchange of experience between project partners in Bangladesh and especially India.

A typical advocacy role for Swedish NGOs would be the support of human rights, among them women's rights, and the democratic process in Bangladesh. There is considerable scope for lobbying on a broad range of issues such as the rights of the disabled, a greatly neglected area in Bangladesh. For example, links with SHIA/DHR could be established in Sweden on this. Funds for WID and human rights and democracy can be channelled through SIDA direct support of Bangladeshi NGOs and through indirect support through Swedish NGOs.

Box 15 - SIDA's information work

The information section at SIDA deals with information dissemination to the Swedish public, including eight regional centres for schools. BIFO is holding a series of country-based seminars at which different Swedish NGOs come together and exchange ideas and experiences. Furthermore BIFO also acts as a referral service, to promote experiential learning between NGOs. There is no clear relationship between the SIDA NGO Division and these various information exchange activities with regards the Swedish NGOs.

SIDA of course does not possess the potential of a popular movement in reaching out to Swedish civil society (Box 15). The information potential of the Swedish organisations may therefore be underutilised when it comes to their own project involvement in Bangladesh, but it is totally untapped as regards SIDA's direct NGO support.

Conclusion

The 1985 Sixten Heppling's report on the aid capacity of NGOs reached a number of conclusions and in particular suggested that NGOs needed better resources to handle assistance. The NGOs received more funds, but an increased capacity did not develop. These conclusions remain highly relevant. DCOs and embassies should follow development aid through Swedish NGOs and utilise their capacity to give advice and assistance when necessary.

CONCLUSIONS

Since Bangladesh possesses an unusually dynamic and diverse NGO sector, the country has offered a unique opportunity for SIDA to deepen its development partnership activities, and the direct funding approach has arisen in response to this challenge.

Bangladeshi NGOs are engaged in a range of activities which include - among other things - service delivery, production and employment activities, the organisation and mobilisation of poor people, human rights activism, awareness-raising on gender issues and advocacy work.

In particular, Bangladeshi NGOs have prioritized the poorest sections of the population. While it remains debatable whether these NGOs reach the very poorest groups (a fact which remains as an important limitation of such organisations), many people would agree that national NGOs' efforts to work with the poor have been much more successfully targeted at the poor than have those of the government agencies. Government has a lot to learn from the NGOs and is beginning to do so.

SIDA's direct support to a relatively small number of generally important Bangladeshi organisations within this sector has made good sense in terms of overall SIDA's development assistance objectives. This direct support has been based on a spirit of mutual trust, which has allowed high quality relationships to develop within a coherent, locally-rooted programme. SIDA has not treated its support to national NGOs as an all-purpose solution to Bangladesh's development problems, but has considered sustainability, NGOs' relationships with government and the possible duplication of efforts. In general, SIDA's relationships with its NGO partners in Bangladesh have been sensible and realistic.

Should SIDA continue with the large, well-established organisations such as BRAC, Proshika and GSS, many of which SIDA helped to fund in their earlier days? Or should SIDA be seeking, as a relatively small donor in Bangladesh, to identify new and innovative areas of support in order to make best use of its resources? Many of these questions are already being addressed, but SIDA in coming years will face a number of important choices with regards its direct NGO support in Bangladesh.

Such questions are not necessarily mutually exclusive. There is good reason to maintain links with a cross-section of the NGO community in general in Bangladesh. It is important that SIDA's relationships in Bangladesh are not simply based on the provision of funds but on wider partnership. Many Bangladeshi NGOs are now considering their relations with civil society, government and becoming involved in advocacy work. SIDA should continue to support these changes as a priority. These activities will encourage the sustainability of democracy, and help define and enforce government responsibilities.

Indirect support through Swedish NGOs is more problematic in Bangladesh. Due to Bangladesh's own NGO capacity, many of the Swedish NGOs are quite marginal organisations in the Bangladesh context, being more of a reflection of the Swedish NGO movement than the one in Bangladesh. Many are engaged in comparatively traditional activities.

Given the well-developed local NGO capacities, what is there for Swedish NGOs to do? We would argue that Bangladesh represents an opportunity for Swedish NGOs to reassess their roles. While operational NGO activities are highly developed in Bangladesh, the non-operational modes of operation, such as advocacy and networking, have received far less attention. There *are* opportunities, particularly for information-based work which links people in the North with Bangladesh.

There is little communication taking place among the Swedish NGOs in Bangladesh, or between this group and SIDA. A collective relationship between the NGOs and SIDA could be useful and resource efficient by avoiding duplication of resources, linking efforts for development education and feedback in Sweden, solving problems or disputes, gaining information about the availability of SIDA funds for special purposes such as educational visits from different funding categories.

The trust aspect of SIDA's relationship with Swedish NGOs has at times been less successful than with the directly-supported NGOs. Situations requiring concerned involvement from DCO have sometimes been missed. For example, problems arising from DIAKONIA's difficulties with its local NGO partners and its own management structure in Bangladesh would have been worth more investigation by the DCO (and this has now been looked into). Furthermore, the Swedish NGOs in Bangladesh appear to be rarely evaluated by SIDA.

There are important exceptions to these general points. Unlike DIAKONIA, which has chosen not to build local links with SIDA, Swallows has played an important and continuing role in facilitating and informing SIDA's relationships with national Bangladeshi NGOs and in maintaining international links with India and Sweden on issues of mutual concern (such as environmental and human rights lobbying work). Swallows have managed this despite their very low resource profile in Bangladesh.

There are multiple layers of accountability within the different funding modes

and between agencies. Money is not the only component of accountability - there also needs to be more concerned participation in the activities of local counterpart organisations in Bangladesh. Accountability also refers to wider institutional and policy contexts.

Where SIDA indirect support is channelled through international NGO federations, an extra administrative layer is formed which can sometimes reduce accountability, particularly in terms of feedback, as the Swedish Red Cross experience shows. SIDA has perhaps not done enough to explain its own accountability to some of its partners (e.g. the role women's organisation in Sweden lobbying for WID funds to Bangladesh). In terms of sustainability, there are quite complex issues to be discussed between NGOs, clients and donors. Who asks what will happen to projects when they reach the end of their funding? In general, core rather than project funding can improve sustainability.

A comparison of the two modes of NGO support therefore raises important questions concerning the future roles of Northern NGOs working in the south.¹⁵ These questions are not new of course, but the sophisticated NGO sector in Bangladesh throws them into sharp relief. It is clear that one of the key roles of Northern NGOs, if implementation and operational partnership roles are abandoned, is now the facilitation of information flow, both between countries in the south (where a bridging role is sometimes possible) and more importantly in countries of the North.

Many of the potential advantages of indirect funding remain largely unexploited by the Swedish NGOs. One of the main arguments in favour of indirect funding is the link which can be created with Swedish citizens. There are many connections which can be usefully made between the problems facing Bangladesh and those of concern to the Swedish public - environmental pollution, women's rights, deforestation, corruption, privatisation - and any work which raises the profile of such issues in Sweden from a Bangladeshi perspective is bound to improve levels of accountability between Swedish citizens and Swedish development assistance.

Few of the Swedish NGOs working in Bangladesh are concerned with information work or international lobbying of this kind. SIDA has not attempted to influence them into such an involvement, and no doubt it would be wrong to do so. However, the question has to be asked as to whether support to traditional NGO activities in Bangladesh, as practised by many Swedish NGOs, represents the best possible use of Swedish taxpayers' money. While it is probably healthy for SIDA to maintain a level of diversity among partners, continual attention to relevancy is needed. In many cases SIDA's support to Swedish NGO's has little relevance to Sweden's overall objectives and in some cases, none at all!

15 These issues are discussed more fully in "Non-governmental organisations and governments: stakeholders for development, edited by Ian Smillie and Henny Helmich, OECD, 1993. See in particular the chapter on Swedish assistance to NGOs.

RECOMMENDATIONS

1. The present direct and indirect funding arrangements for NGOs in Bangladesh should be continued by SIDA. The idea of including a diverse mix of small and large, Bangladeshi and Swedish, NGOs is in keeping with SIDA's overall goals.
2. SIDA should investigate the complex accountability issues which sometimes arise through the indirect funding of NGOs through international federations.
3. Similar high-quality evaluation criteria need be applied to Swedish NGOs as are already applied to directly-funded Bangladeshi ones, particularly with regard to issues of relevance.
4. More regular contact is needed between the Swedish-funded NGOs in Bangladesh. Perhaps there is a role for SIDA in initiating such contact.
5. The SIDA NGO Division, and to a lesser extent the DCO, should take more responsibility for assisting, where possible, the Swedish NGOs in Bangladesh. For example, an opportunity might be created for a meeting in Sweden and Bangladesh to discuss this report at an early date!
6. SIDA should look carefully at the questions surrounding implementation, operational and donor NGO activities on the one hand, and partnership and advocacy activities on the other when making choices about NGO funding. Perhaps the mix of activities is too heavily weighted towards the operational, particularly in the case of the Swedish NGOs.
7. The experience of working directly with NGOs has implications for SIDA's work internationally and SIDA should therefore do more to promote this experience. While the Bangladesh case may be somewhat atypical at the present time, it is likely that lessons can be learned which can be applied in the near future as other countries around the world develop comparable NGO sectors.



Diakonia runs "The People's Factory", silk production from worms to cloth.

8. The DCO should encourage discussion among the Swedish NGO movement about future Northern NGO roles, particularly in non-implementing activities. This might include more NGO-based lobbying and advocacy work, particularly at the international level.

9. Swedish NGOs should focus on core funding (as opposed to project funding) for reasons of sustainability.

10. Swedish NGOs should take the opportunity to review the validity of their operational approaches in the Bangladesh context.

11. The SIDA NGO Division should make better use of its funds for promoting information exchange among NGOs, perhaps by making more resources available to BIFO for the information-based activities which it undertakes.

Annex 1:

NGOs FUNDED BY SIDA IN BANGLADESH

SIDA indirect assistance

1. DIAKONIA
2. Friends Society (Swedish Quakers)
3. Jönköping-Bangladesh Friendship Association
4. LO/TCO (Centre for International Trade Union Cooperation)
5. Lutherhjälpen (Swedish Section of Lutheran World Federation).
6. PMU (Apex organisation for Swedish Pentecostal Movement)
7. Rådä Barnen (Swedish Save the Children)
8. Röda Korset (Swedish Red Cross)
9. Svalorna (Swedish Swallows)
10. Swedish YMCA/YWCA
11. Swedish Seventh Day Adventist Church
12. Örebro Mission

SIDA direct assistance

General support (country frame-related)

1. BRAC
2. GSS (Gono Shahajjo Sangstha)
3. Proshika
4. Buro Tangail (Bangladesh Unemployed Rehabilitation Programme)
5. CAMPE (Campaign for Popular Education).
6. FIVDB (Friends in Village Development)
7. MRTSP (Menstrual Regulation Training and Services Programme)
8. WIF (Worldview International Foundation)

Women-oriented support

1. BWHC (Bangladesh Women's Health Coalition)
2. CWFP (Concerned Women for Family Planning)
3. Saptagram

4. USHA (Unity for Social and Human Action)
5. BPHC (Bangladesh Population and Health Consortium)

Democracy and human rights

1. BAMNA

Relief and rehabilitation

1. BRAC
2. Proshika

Annex II:

LIST OF MEETINGS

Stockholm

16/2/94

Annika Idemalm (SIDA Evaluation Division)
Lars Forsberg (Jönköping-Bangladesh Association)
Bo Forsberg (DIAKONIA)

17/2/94

Marie-Louise Keller (Swedish Red Cross)
Bertil Stadell (Swedish Missionary Council)
Eva Geidenmark (Rädda Barnen)
Ingvar Johansson (LO/TCO)

18/2/94

Gunnar Thorsell (Education Division, SIDA)
E. Wennemyr (Örebro Mission) [phone]
Jan Runnquist (SIDA)
Leif Agnestränd (Swedish Free Mission) [phone]

19/2/94

Birgitta Göransson (Swallows)

Dhaka

22/2/94

Dr Salahuddin (BRAC)
Berndt Sanfridson and Swapan Bose (Örebro Mission)
Mats Svensson and Eva Smedberg (DCO)
Dr Kazi Faruque Ahmed (Proshika)

23/2/94

Dr F R M Hasan and Dr Kerry-Jane Wilson (GSS)
Habibur Rahman (CAMPE)

24/2/94

Karin Gregow, Maria Von Krusenstierna and Mogens Jensen (Swallows)
Dan Prewitt and Kurt Granberg (International Federation of Red Cross and Red Crescent Societies).

Bo Forsberg and Thomas Das (Diakonia)

25/2/94

K.Oliver Lofton-Brook and Richard Baroi (ADRA)

26/2/94

Dennis Dilip Datta (Koinonia)

BBSS Thana Committee representatives

Dr Allen Armstrong and Kamaluddin Akbar (RDRS)

27/2/94

Gunnar Löfberg (Rädda Barnen)

Khushi Kabir (ADAB/Nijera Kori)

28/2/94

Matthew Malakar (YMCA)

Red Cross (as above)

Jan-Erik Henriksson (SFM)

1/3/94

Rokeya Sultana (Concerned Women for Family Planning)

Sigvard Schwartzman (SIDA DCO)

Begum Rokeya (SUS)

Reidar Kvam and Zakia Hasan (NORAD)

2/3/94

Richard Holloway (PACT)

M. Sirajul Islam (WIF)

Sultana Afroz (Saptagram)

3/3/94

Dr Karim and Manzoor Majumber (MRTSP)

Ahbab Ahmed (DG, NGO Affairs Bureau)

5/3/94

Public Sector Electricians' Union

6/3/94

Azim, Rebecca and Dr Nasneen (BWHC)

M. Mosheraff Hossain and Zakir Hossain (BURO-Tangail)

Ferdousur Rahman (Prodipon)

7/3/94

Monica Malakar (DCO)

Björn Sternby (Swedish Ambassador)

Dr Phil Harding (ODA/AMO) and Ann Garbutt (BPHC)

8/3/94

DCO

9/3/94

Hosne Ara Khan (USHA)

South Asia Regional NGO Workshop

Stockholm

14/3/94

Eva Asplund (SIDA NGO Division)

15/3/94

Christer Holtsberg (Head of Section, SIDA Natural Resources Management Division)

Bengt Liljenroth (Head, SIDA Information Secretariat)

16/3/93

Eva Joelsdotter-Berg (SIDA Asia/Middle East Secretariat)

Ulf Wilmenius (BIFO)

Annex III:

TERMS OF REFERENCE

– Evaluation of Swedish support through NGOs in Bangladesh

1. BACKGROUND

NGOs play an important role in Swedish development co-operation, more than 20 % of SIDA's yearly budget is allocated to NGOs (i.e. around MSEK 1 400 in 1992/93). The major part of the support to NGOs is directed to Swedish voluntary organisations for either their own development activities in developing countries or activities carried out by local NGOs. A smaller portion is contributed directly by SIDA to local NGOs in developing countries.

Of the direct support from SIDA to local NGOs the main part is given to NGO-activities related to Swedish sectorial support (MSEK 35 1992/93) in Bangladesh, India and Sri Lanka. Direct support is also provided for NGOs involved in women's activities, human rights, democracy and environment. The traditional cooperation with and support for Swedish Non-Governmental organization and their collaboration with local counterpart organizations is also active in Bangladesh.

Bangladesh was the first country to receive direct support from SIDA and is still the major recipient by far. Swedish bilateral government support to Bangladesh has been supplemented by direct support to local NGOs. 1992/93 Bangladeshi NGOs received around MSEK 32. Swedish NGOs received below MSEK 20 1991/92 for their support to Bangladesh.

The first phase of the study, a survey of local and Swedish Non-Governmental organizations has been carried out in May 1993.

2. REASONS FOR THE MAIN STUDY

The growing importance of NGOs in development is recognized by Sweden and other donor countries. In some cases SIDA through direct support and Swedish NGOs using SIDA NGO-grants have been supporting the same or similar local NGOs.

SIDA has a need for its continued planning to increase and deepen the knowledge on the two modes of support through NGOs in Bangladesh.

3. SCOPE AND FOCUS OF THE MAIN STUDY

The main phase shall focus on the two modes of support i.e. through Swedish NGOs and direct support to local NGOs. The study shall consider the results of the above mentioned survey.

The evaluation shall comprise but not necessarily be limited to the following issues.

- I. The relation between the government and the NGOs, both Swedish and local, in Bangladesh and the implications for the development programmes supported by Sweden.
 - analyse the consequences of changing policies of local and foreign NGOs in Bangladesh;
 - analyse accountability and democracy in comparative terms between the government structure and the NGOs;
 - describe and analyse the roles of the NGOs who receive support from Sweden in Bangladesh.
- II. The relation between Swedish policy framework for the development support to Bangladesh and the two modes of support.
 - analyse development efforts by NGOs with reference to SIDA's policy framework for development co-operation through NGOs;
 - analyse the support through NGOs with reference to the Swedish country frame support.
- III. Relevant aspects of the two modes of support.
 - analyse the relevance;
 - analyse the efficiency of selected organizations;
 - describe the ownership of development projects;
 - analyse the effectiveness of targeting (including geographical coverage) and the degree of reaching population groups as planned;
 - analyse the sustainability
 - analyse the feedback from the projects to the Swedish NGOs, their members, the Swedish public and SIDA;
 - analyse the utilization of experiences as given in reports to SIDA and the Swedish organisations;
 - identify positive/negative side-effects of the support e.g. on development education in Sweden or methodology improvement in the country frame programmes.
- IV. Analyse relations between impact of support through NGOs and long term development objectives, especially poverty alleviation.
- V. Upon the analysis of paragraph I-IV above, identify main elements and valid themes and present conclusions thereon.

4. METHODS

The Main study should include interviews with Swedish as well as local NGOs who receive development support from SIDA for activities in Bangladesh.

The study shall be carried out in Sweden and Bangladesh by an international team

consisting of at least one Bangladeshi and two international consultants, of which one shall come from Scandinavia.

The study will have two parts in terms of data collection. The first part consists of a general policy review, considering the Swedish and Bangladeshi policy framework of the private sector development activities. This part of the study should be based on studies of existing documents and on interviews.

The second part is related to the concept of poverty alleviation as well as the different aspects mentioned in paragraph 3 above. This part of the study must also be based on previously generated reports combined with the outcomes of field studies and interviews.

The method chosen will have to encompass the relation between support to NGOs and long term poverty alleviation.

5. TIME-FRAME AND FORMAT OF REPORT

The Main study is estimated at maximum 12 manweeks and shall be carried out during January-February 1994.

A brief Summary Report shall be elaborated and presented to the DCO prior to departure from Bangladesh.

A draft final report shall be presented in ten copies to SIDA no later than one month after return of the International team.

A final report, containing an executive summary, shall be presented in fifteen copies after receiving SIDA's comments to the draft final report. The report shall be presented on diskette, preferably using Microsoft Word on IBM or IBM compatible.

The team of consultants shall be prepared to take part in a workshop with a reference group appointed by SIDA prior to departure and to take part in a workshop with SIDA and Swedish NGOs to present the findings of the final report.

(SIDA NGO Division/Evaluation Section, 8th September, 1993).

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Routes of Funding, Roots of Trust?

AN EVALUATION OF SWEDISH ASSISTANCE TO NON-GOVERNMENT
ORGANISATIONS IN BANGLADESH

Non-government organisations in Bangladesh now receive a higher proportion of Swedish funds than in any other country. SIDA has supported NGOs in Bangladesh through a number of routes. The two most important ways are *indirect funding* through Swedish NGOs and *direct funding* to Bangladeshi NGOs. This evaluation report compares these two ways of funding.

According to SIDA's policy for direct support to Bangladeshi NGOs, programme activities shall be designed to complement the ongoing bilateral support programme. The evaluation team concludes that this policy has been implemented.

Small Bangladeshi NGOs began work in close cooperation with Swedish NGOs. The Bangladeshi NGOs have grown in size and capacity during the period of direct support.

The Team noted that Swedish NGOs have been slow in adjusting their methods and modes of operation to the dynamic Bangladeshi society and recommends that they use their unique potential and knowledge to provide more specialized support. This role should include more networking, information exchange, training and advocacy than their conventional operational roles.

The Team's recommendation is that the present funding arrangements continue.

Each year some 30 of SIDA's over 200 projects are evaluated. Copies of this report can be ordered from SIDA, S-105 25 Stockholm, Sweden.

